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Prime Minister Lukanov Tenders Resignation

AU2911182690 Paris AFP in English 1818 GMT 29 Nov 90

[Text] Sofia, 29 Nov (AFP)—Bulgaria's Prime Minister Andrey Lukanov officially tendered his resignation late Thursday [29 November], the BTA news agency said. Mr. Lukanov said in a statement that "the action of some members of parliament and of the major unions has created a situation which does not allow the government to carry out its programme".

Conflicting Pre-Resignation Reportage Noted

Early Resignation Not Ruled Out

AU2811163790 Sofia BTA in English 1602 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—In a short statement Prime Minister Lukanov made on radio he did not rule out the possibility of giving in his resignation shortly. But he defined as "precipitate" the announcement the BTA had transmitted as a flash earlier today and the Bulgarian Radio and some world agencies had disseminated immediately, namely, that the political forces in parliament "have almost made a deal," that Mr. Lukanov's cabinet would resign shortly and that the president would probably appoint a caretaker cabinet.

The consultations have just begun; a serious and honest dialogue is needed; the participants in it should not make attempts at dominating the new government, Mr. Lukanov said.

BTA has learned from an MP that the political forces might agree on appointing a head of the caretaker cabinet who would be neither from the Socialist Party, nor from the Union of Democratic Forces (UDF) [SDS].

According to Mr. Lukanov the members and the configuration of the new cabinet have not been discussed yet.

Mr. Lukanov stated that he shares the president's view that an agreement between the political forces must be reached to overcome the cabinet crisis.

At the same time UDF leader Petur Beron said at a rally held at 50 metres away from the building of parliament that Prime Minister Lukanov's last condition for his resignation was to be given the possibility of doing it "with dignity."

After the radio had repeated the BTA announcement several times, thousands of demonstrators gathered in front of the building of the Council of Ministers and chanted "Resignation!"

Will Not Resign 'Now'

AU2811191490 Sofia BTA in English 1844 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—Asked by journalists if he would resign, Prime Minister Lukanov answered, "Not now". He went on to say that he did not know exactly when he would resign from his post. He was interviewed in the parliamentary lobbies a minute before he entered the plenary hall. He refused to answer any other questions.

MP Claims Resignation Due 29 Nov

AU2911122490 Sofia BTA in English 1213 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—This evening at 1800 hours [1600 GMT] Andrey Lukanov will give in his resignation, MP Aleksandur Yordanov told a BTA reporter after the session of the Political Consultative Council with the Presidency, which lasted about three hours. Mr. Yordanov said that the talks passed in a constructive spirit, but the members of the new cabinet were not discussed. But there will be a new government, he added without specifying what it would be.

Mr. Valentin Stoyanov, spokesman for the president, announced that the political forces had reached an agreement on the settlement of the crisis. The details of the agreement will be made public this evening.

When asked if an agreement had been reached, the leader of the Bulgarian Socialist Party, Mr. Aleksandur Lilov, said that statements would be made this evening. One of the clauses of the agreement is to keep silent, Mr. Viktor Vulkov, leader of the Bulgarian Agrarian Party added with a smile.

Later on Mr. Lilov confirmed that the talks had been constructive.

The participants in the meeting were President Zhelyu Zhelev, Vice President Atanas Semerdzhiev, Prime Minister Andrey Lukanov and the leaders of all political forces represented in parliament.

Opposition Nominates Beron for Prime Minster

AU2911172890 Sofia BTA in English 1709 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—At 6 pm [1800 GMT] the political forces started consultations on the formula of a new government after a possible resignation of Prime Minister Mr. Andrey Lukanov.

Mr. Petur Beron, leader of the opposition Union of Democratic Forces (SDS), said that his nomination for prime minister has been reaffirmed by the SDS Coordinating Council.

Many people have gathered in the centre of Sofia, in front of the Council of Ministers, the Presidency and the

BSP Supreme Council buildings. Some of them chant "Zhelyu, Zhelyu," meaning the president of the Republic Dr. Zhelyu Zhelev.

Grand National Assembly Bureau Draft Decision

AU2811164690 Sofia Domestic Service in Bulgarian 1543 GMT 28 Nov 90

[Draft decision of the Grand National Assembly Bureau, read by Ginyu Ganev, deputy chairman of the Grand National Assembly, in Sofia—live]

[Text] In these days of exceptional importance for our people, all citizens, parties, public organizations, and movements must overcome all their party biases and place their sense of civic responsibility and their sense of duty to the motherland above all things.

The voices of common sense and of political maturity should be heard today by responding to the president of the Republic's appeal. We must support his efforts to guarantee a peaceful transition to democracy. In its resolve to contribute to the rescue of our country from the difficult political situation by fulfilling its functions as the supreme organ of state power directly elected by the people, the Grand National Assembly decided as follows.

First, the Grand National Assembly recommends to the political forces that they promptly make coordinated proposals on joint efforts aimed at resolving the crucial political problems, at improving the activities of the parliament and of the executive power organs, and submit a new formula for the establishment of a new government.

Second, the Grand National Assembly and its organs must adopt measures for decisively improving their work, especially as regards legislation. The basic laws of the socioeconomic reform and the laws related to the development of democracy should be adopted as soon as possible. This applies to the laws on land, the laws on the denationalization and privatization of economic institutions, on competition, on social welfare, on adminstrative-territorial organization, and on local government organs. This also applies to new election legislation, and so forth. Priority should be given to the major task of the Grand National Assembly, namely the drafting of a new constitution for our country.

Third and last, no plenary sessions of the Grand National Assembly should take place for the time being. The upcoming working days and even the weekend should be used for intensive sessions of the parliamentary commissions primarily devoted to the drafting of the laws included in the legislation program and legislative activities that have been adopted.

Gentlemen, this is the bureau's proposal for the time being. I would like to ask my colleagues to briefly comment on this, because as you see, a certain group of members are absent from the hall.

Assembly Suspends Debate on Forming Government

Political Consultations Continue

AU2811195190 Sofia BTA in English 1908 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The Bulgarian parliament has suspended its debates, only the parliamentary committees will continue their work.

The consultations between the political forces on the formation of a new cabinet are going on. The major political forces declared they were willing to continue the talks.

But these are talks between deaf people, Dr. Petur Beron, leader of the Union of Democratic Forces, told a BTA reporter in reply to a question about the course of the consultations held in connection with the cabinet crisis.

Lukanov does not want to give in, he said.

Dr. Beron did not retract the statement he had made earlier at a rally according to which the political forces were trying to find a dignified way for Mr. Lukanov to resign. But he looks as if he doesn't see what is happening; he thinks that the situation in the country is still under his control, Beron said. In his opinion the deadlock the prime minister is in will become unbearable when the confederation of the independent trade unions goes also on strike.

According to Alexander Lilov, leader of the socialists, the situation has not changed since last week—Lukanov's government enjoys confidence. He made this statement in the parliamentary lobbies.

Parliament did not have a sitting today because there was no quorum. The MPs of the Union of Democratic Forces had declared in advance they would not attend parliamentary sessions for an indefinite period of time.

BSP Denounces 'Outside Pressure'

AU2911101690 Sofia BTA in English 0907 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—The Bulgarian Socialist Party (BSP) is negotiating with the other political forces on the formation of a new cabinet, Aleksandur Lilov, chairman of the BSP Supreme Council stated last night in Blagoevgrad.

In this way the leader of the former Communists admitted indirectly that Mr. Lukanov's Socialist cabinet would resign.

But the BSP will not give up the executive power under outside pressure, Lilov said.

In the meantime it became known that at 10:00 hrs Bulgarian time [0800 GMT] an important session of the Political Consultative Council with the presidency will be opened.

The strike is spreading. Today the second biggest trade union organization the Confederation of Independent Trade Unions in Bulgaria, joins the strike.

Agreement Reached; Appeal for Calm

AU2911114090 Sofia Domestic Service in Bulgarian 1120 GMT 29 Nov 90

[Announcement by presidential spokesman Valentin Stoyanov in Sofia on 29 November—recorded]

[Text] At the initiative of Dr. Zhelyu Zhelev, president of the Republic, the Political Consultative Committee held a session today, in which representatives of all the political forces represented in parliament took part, as well as Prime Minister Andrey Lukanov.

The participants in the meeting, which took place in a constructive atmosphere, reached a general agreement on the way out of the political crisis. Details of the agreement will be announced this evening.

The Political Consultative Committee calls upon all citizens in Sofia and throughout the country to maintain calm and provide assistance in ensuring public order.

Announcement Expected in Evening

AU2911172790 Sofia Domestic Service in Bulgarian 1700 GMT 29 Nov 90

[Text] [Announcer] Several moments before entering the Grand National Assembly room, where the talks of the political forces are taking place, Dimitur Ludzhev, member of the contact group which prepares the political agreement between the political forces said to our correspondent:

[Begin Ludzhev recording] I think that by now the talks produced an agreement on the necessity of effecting a change and resolving the political crisis, as well as a political agreement on the fact that a new government must be formed. Nothing specific has been discussed. The sides simply presented their views on what cabinet could be formed—from caretaker government to a government closer to the Union of Democratic Forces. It was agreed that it must be a government, which could implement the peaceful transition toward democracy. We also talked along general lines about the composition of the government, but also in this area, there are no specific agreements.

In general, different views were expressed, and the sides mostly talked about the positions of the new government and its tasks related to the legislative program and eventual new elections in the spring. Personalities were not discussed. I think that the Bulgarian people will be satisfied, because the agreement will include all basic points of our political and other differences—the work of the Grand National Assembly, the legislative timetable, the reforms, the future elections, the ethnic issue, and so forth. Resolving the issues of the government and the Grand National Assembly will allow the trade unions to stop their strike activities. [end recording]

[Announcer] This was Dimitur Ludzhev's recorded statement. In the meantime, Dimitur Ludzhev called our studio and expressed his wish to add something to his statement. Can you hear me, Mr. Ludzhev?

[Ludzhev] Yes, good evening. I am calling from the office of Mr. Ginyo Ganev [deputy chairman of the Grand National Assembly]. I understand that many Sofia citizens would like to learn something new. I would like to tell them to remain calm and await the 2000 [1800 GMT] news, when the announcement on the results of the meeting of the Political Consultative Council will be aired. There also will be several statements, and I think that they will provide the answer to many questions which excite the people at the moment.

[Announcer] Thank you very much.

[Ludzhev] Yes, I also would like to ask the people to remain calm. Some important issues have been resolved and they could contribute to resolving the political crisis in the country.

[Announcer] All right, we will wait until 2000.

DPS' Dogan, BSP's Pirinski Comment

AU2811205990 Sofia BTA in English 2027 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—In most probability a new cabinet will be formed, Mr. Ahmed Dogan, the leader of the Movement for Rights and Freedoms, told a BTA reporter. He usually measures his words. Mr. Dogan said that the Movement for Rights and Freedoms would participate in a government of national responsibility or national concord "if necessary and if the formula of the cabinet requires it". According to Mr. Dogan it is impossible to appoint a caretaker cabinet. The cabinet should be made up of personalities who would combine moderate views with radicalism. The problem is to find such personalities, he said.

Mr. Georgi Pirinski of the Bulgarian Socialist Party shares a similar view. In his opinion the country needs a government which will carry out the most difficult steps of the transition, which will enjoy the support of all parliamentary factions and the greater part of the society.

According to Mr. Pirinski there is no question of Mr. Lukanov's resigning "now, right away". At the same time he considers that the politicians have not much time left to settle the political problems. He has in mind the political agreement the political forces are discussing, within the framework of which changes in the government will be possible.

An opposition MP who is taking part in the consultations of the political forces also mentioned something about a political agreement: parliament will adopt the

most important laws and form a new cabinet which will work until the new parliamentary elections.

There is some talk that the Union of Democratic Forces (UDF) [SDS] is inclined to make a compromise and give up its demand for an opposition-dominated government, if the new cabinet is chaired by member of the UDF.

ASO Position on Forming Government

AU2811200390 Sofia Domestic Service in Bulgarian 1830 GMT 28 Nov 90

[Text] The position of the Alternative Socialist Association [ASO] on the situation in the country contains seven items, each beginning with an "if."

There is no reason why the agreement on creating the municipal leaderships, which in fact are local governments, should not be applied in forming the national government. Civic peace in the country will be saved only if the political forces in the country succeed in raising themselves above their narrow party interests and ambitions and struggle for prestige, the ASO's Political Council maintains.

Thousands Rally; Demand Lukanov's Resignation

AU2811190890 Sofia BTA in English 1837 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—"Lukanov is a political corpse" was the slogan raised in the afternoon today at a thousands-strong rally in front of the St. Aleksandur Nevski Cathedral, which is about a hundred steps away from the building of parliament. Although public transport is paralyzed, thousands of people have been gathering here for three days now to demand Mr. Lukanov's resignation.

The leader of the Union of Democratic Forces, Dr. Petur Beron, said that talks were held on Prime Minister Lukanov's resignation in a dignified way.

The crowd replied by by saying that it was too late for Lukanov to think of resigning with dignity. "He will not go, he will fall," the crowd shouted. Prime Minister Lukanov was called all possible names: "A political corpse", "an agent of the KGB", "a man of the Kremlin", "an unscrupulous person".

Dr. Beron explained that stopping street pressure and preventing riots was the last condition the prime minister had set for his resignation.

Last week Lukanov missed all his chances to go in a dignified way, now he cannot even board a plane because the airport is also on strike, Mr. Oleg Chulev, vice president of the Podkrepa Labor Confederation said.

Some opposition M.P.'s who did not appear today in parliament also addressed the rally. They are still working in the parliamentary committees and will stay in parliament to work for the adoption of some important laws, especially the land law.

There will be real changes in Bulgaria next spring, when new parliamentary elections are held and the local authorities are elected, Mr. Stoyan Ganev said. According to him Mr. Lukanov pretermined his fate two weeks ago, when he tried to persuade the rector of the St. Kliment Okhridski University of Sofia to allow the security forces deal with the striking students.

Council of Ministers Assesses Strike Developments

Reports Generally Low Participation

AU2811154190 Sofia DUMA in Bulgarian 27 Nov 90 p 1

["Council of Ministers Communique" issued in Sofia on 26 November: "Only One Percent of the Workers Followed the Blue Trade Unions"]

[Text] According to data submitted to the Council of Ministers from ministries, departments, companies, and provisional executive committees of oblasts and municipalities, less than one percent of the country's working population has participated in the general political strike which was illegally proclaimed by the Podkrepa Labor Confederation. The organizers of the strike, taking advantage of the Bulgarian Radio and other mass media, are trying to create a wrong impression about the extent of the strike and to win public support.

What is the real situation?

In the industrial sector—namely in the companies and enterprises belonging to the chemical, metallurgical, light industry machine building, and electronics industry sectors—where approximately 916,000 blue and white collar workers are employed, a total of 8,500 individuals were on strike today, which represents 0.93 percent of their total number.

In the construction sector, where a total of 250,000 people are employed, 3,700 workers were on strike.

Public transport in the cities and rural areas, as a whole, was functioning normally today. Trains and inter-city buses circulated without any disruptions and the same applies to air and water transport. In the transportation sector approximately 4,600 persons out of the total number of 344,000 employees were on strike, most of them in Sofia. In the capital 223 street cars out of 275 and 122 of the 154 existing trolley buses were circulating today.

The citizens encountered difficulties caused by the unreasonable actions of some collectives from the Druzhba and Zemlyane bus enterprises. Unfortunately, those were precisely the bus drivers who obtained the greatest benefits of all in 1990, the majority of whom earn monthly wages exceeding 1,000 leva.

Apart from Sofia, city transport was disrupted in the town of Petrich, while in Kazunluk some citizens tried to prevent city transportation vehicles from circulating.

Only 400 individuals among the 81,090 workers and employees engaged in coal mining and in the production and distribution of electric power and heating participated in the strike. The situation is normal in the Kozloduy nuclear power plant. Only a few workers were on token strike, while carrying out their duties.

Despite the specially announced ban on strikes in the electric power supply sector stipulated by the Law on Settling Collective Labor Disputes, an additional crime was committeed in Blagoevgrad at the instruction of the local strike committee—namely the electric power supply for seven industrial enterprises, and subsequently for several administrative and public institutions, was deliberately discontinued.

As for the mining industry sector, strike actions took place only in some small mining enterprises.

Throughout the country the supply of food and consumer goods stores proceeded without any difficulties or disruptions. A total of 150 tons of fresh milk and 170 tons of sour milk were delivered to food stores in Sofia; this does not differ from recent deliveries.

No strikes took place in the agricultural sector. Less than 103 workers of the 110,000 people employed in the forestry and timber industry sector joined the strike. A total of 580 workers were on strike in the food industry sector where a total of 173,000 workers and employees are engaged. The majority of these people are working in the Plovdiv and Blagoevgrad tobacco plants.

Token strikes took place in public health establishments both in Sofia and all over the country. Teachers' collectives from 51 of the 250 schools in the capital participated in the strike, while in Plovdiv partial strike activities took place in 17 of the 120 existing schools, but only two of them were closed.

The government once more reminds the population of the Chief Prosecutor's Office stand that the Law on Collective Labor Disputes prohibits all strikes based on political motivations.

Citizens who participate in strike activities following the instructions of the Podkrepa Labor Confederation should realize that they are violating the laws of the country and have to bear the consequences of their actions.

We feel obliged to recall that no one is entitled to prevent his colleagues from implementing their working duties. The oblast and municipal people's councils, with the assistance of the Ministry of Internal Affairs' forces, are adopting all necessary measures in connection with safeguarding law and order, and protecting the citizens' peaceful lives.

The government appeals to the managements of the companies and of economic organizations to use all their legal prerogatives in order to prevent the normal production process from being disrupted.

The government calls on all citizens who have responded to subversive appeals and are participating in the aforementioned partial strike actions not to leave their working places so as to avoid the sanctions provided by the law and to prevent the enterprises and the citizens from being affected.

The government shall continue to brief the public on all current developments.

Sofia, 26 November 1990.

Degree of Strike Support Said Unchanged

AU2811195090 Sofia Domestic Service in Bulgarian 1830 GMT 28 Nov 90

[Text] The Council of Ministers reports that on the basis of information received by the government, there is no essential change in the support of the strike announced by the Podkrepa Labor Confederation and the number of striking workers. The general number of striking workers throughout the country continues to be about 40,000.

There are some changes in various branches of the national economy. Thus in the sphere of industry the number of striking workers grew from 8,500 to 12,800. There some 550,000 workers employed in Bulgarian industry.

The number of striking workers in the spheres of forestry, food industry, and trade and services has decreased.

Most of the strike activities continue to be in Sofia, where the bus drivers' strike continues to create difficulties.

It is noted that the strike organizers are trying to violate the production of vitally important economic branches, such as power supply, air and water transportation, and so forth. This evokes immediate danger for the interests of the entire society and could lead to unforeseeable consequences, the announcement of the Council of Ministers reads.

The government again appeals to all citizens to not respond to appeals for actions which violate public tranquility, law, and order. The people's councils and the organs of the Ministry of Internal Affairs, directly responsible for protecting public order, must use all legal means against the instigators and the participants in the street events to prevent chaos and the escalation of tension.

BTA Reports Strike Developments

AU2811213890 Sofia BTA in English 2106 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The number of strikers in the industrial sector grew from 9,000 to 12,000 today, the announcement of the Council of Ministers goes.

According to the government there is an insignificant increase in the number of strikers—in the construction industry 200 people joined the strike; in transport—300; in power engineering—400 people.

Today the strike of 200 people of the ground crew blocked the work at the airport of Sofia, it is said in the announcement.

The Council of Ministers notes that public transport in the capital faces difficulties because the drivers are on strike and because the central Orlov Most [Eagles Bridge] crossing in Sofia is blocked.

According to the government the total number of the strikers in Bulgaria is 40 thousand.

The correspondents of the BTA and of the Bulgarian Radio report from the provinces that the number of strikers is growing. The most numerous among the strikers are physicians, miners, teachers, drivers and students. The strike of health care workers is a token one.

The 8,000 strikers in the biggest state-run company in Bulgaria the Petrochemical Works in Burgas, today stopped seven productions. The strikers' negotiations with Vice President Atanas Semerdzhiev, who arrived there specially for this purpose, were futile. Tomorrow the strikers are going to stop other productions, too. The main cause for the strike is the negligence of the government which has done nothing to secure regular petrol supplies to the works.

According to the Podkrepa Labor Confederation today 830 thousand people in 91 cities and towns in Bulgaria were on strike. The strikers in Sofia were 230 thousand—in 430 enterprises. These data were announced by a Podkrepa representative on television this evening. He sharply attacked Prime Minister Andrey Lukanov and accusing him of wanting to hold his power at all costs, according to the formula "Lukanov Ueber Alles."

Podkrepa will block the work of the biggest producer of liquid fuel in Bulgaria—the Petrochemical Works in Burgas, and the harbor of this seaport city, he said.

Independent TU Appeals To Members, Citizens

AU2811145390 Sofia TRUD in Bulgarian 27 Nov 90 p 1

[Appeal by the Executive Committee of the Confederation of Independent Trade Unions in Bulgaria "to all trade union members and citizens"]

[Text] The Executive Committee of the Confederation of Independent Trade Unions in Bulgaria [KNSB] assesses the events of recent days as the start of a spontaneous revolution. Today's times are historic in the real sense of the word. The single-party government of the Bulgarian Socialist Party [BSP] is unable to govern without resorting to force to suppress the mass manifestations of discontent and dissent. The KNSB did not support the call for a general national strike because the socioeconomic cost of this action may prove to be too heavy for our ruined economy. However, the events are taking their natural course and cannot be banned, whatever efforts may be made to hinder them, including attempts to impose an information blackout.

The Grand National Assembly has failed until now to prove that it is capable of real deeds, and with its present membership it is hardly likely to overcome its own political paralysis.

Strikes, rallies, demonstrations, marches, vigils, and even attempts to split the state provide a serious enough reason to recognize that the present system is disintegrating uncontrollably. The efforts to preserve or repair it are doomed to failure.

This is why the KNSB has organized a nationwide petition for a public vote of no confidence in the Grand National Assembly. The petition is proceeding successfully despite the open resistance being exerted by certain municipal BSP leaderships (in Dobrich and Petrich) and by individual economic leaders (in Vratsa) who are serving the same forces. We appeal to you working people not to submit to pressure and insinuations, but to freely express your will. Only in this way will you force the politicians to follow your interests.

You are the ones who will create the new society.

You are the ones who will produce the new rulers.

In these fateful days, let us master the storm of feelings in the name of sound common sense. We await your vote to hand it to the president of the Republic.

The KNSB Executive Committee.

Will Join Strike 29 Nov

AU2811213390 Sofia BTA in English 2103 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—Tomorrow the Confederation of Independent Trade Unions in Bulgaria (CITUB) [KNSB] is going to start strike drives raising a demand for an agreement between the political forces on the resignation of the socialist government and for the formation of a multiparty cabinet, a CITUB representative announced on radio today.

Thus the CITUB will join the general strike declared by the Podkrepa Labor Confederation, to which it was opposed two days ago.

CITUB Vice President Ognyan Krumov announced the decision of the Executive Committee of his trade union organization, underlining that the CITUB insists on forming a working cabinet that would be a competent and stable partner in negotiations. He said that the CITUB would start its drives by stopping heavy-duty productions and ones that are harmful for the health and blamed the government for not having fulfilled the

agreements reached with the trade unions on improving the conditions in these sectors.

The reports that a lot of trade union organizations are leaving the CITUB and joining the Podkrepa Labor Confederation have certainly prompted the change in the position of CITUB which will probably precipitate the development of events.

A CITUB source has recently told the BTA that 60 percent of the CITUB Strike Committees in the enterprises were formed jointly with those of the Podkrepa Confederation.

Protesters Blockade Streets, Traffic in Sofia

AU2911094090 Sofia Domestic Service in Bulgarian 0400 GMT 29 Nov 90

[Text] Downtown Sofia is blocked. You already know about the situation at the Eagles' Bridge. The thoroughfares of Ruski and Tolbukhin Avenues, and Rakovski Street are also blocked. Traffic on Dondukov Avenue has stopped. Oleg Chulev, vice president of the Podkrepa Labor Confederation appeals to the citizens who are responsible for the blockades of the central Sofia street to let emergency vehicles, police cars, and military vehicles pass through.

Mayor Delivers Ultimatum on Blockades

AU2911123390 Sofia Domestic Service in Bulgarian 0700 GMT 29 Nov 90

[Statement by Sofia Mayor Aleksandur Karakachanov and response by Ognyan Krumov, spokesman of Independent Trade Unions Confederation, in Sofia—live]

[Text] [Karakachanov] In connection with accusations against the Sofia City Council for allegedly not adopting the necessary measures to overcome the chaotic traffic situation in the city, I feel obliged to make a statement on my own behalf, as chairman of the Provisional Executive Committee of the Sofia City Council, and I would like to read a decision of the Provisional Executive Committee which was adopted at Monday's [26 November] session of the committee:

In connection with the point of view expressed by the Council of Ministers on the strike organized by the Podkrepa Labor Confederation, the Provisional Executive Committee of the Sofia City Council as a self-government organ, abstains from pronouncing judgment on the strikes' legality, considering that it is the obligation of the law court and prosecutor's office organs to do so.

In the second place, during the strike the Provisional Executive Council commits itself to guaranteeing the functioning of the basic public services for the everyday life of Sofia population's. This applies to the sectors of transportation, health protection, water supply, and street cleaning, in accordance with Article 21 of the Law on Settling Collective Labor Disputes.

This was the decision of the City Council's Executive Committee.

Now let me give you a little explanation and let me make a final statement:

As a state organ, we are obliged to maintain the basic systems guaranteeing the life of the city, despite the political situation. We are obliged to do so because in addition to strikers, old people, children, and sick people also live in this city, and they need hospitals and health services. This makes the normal functioning of such public institutions necessary. From this point of view I must stress that the erection of barricades and blockades in the streets is inappropriate. I would rather say, that if this action is really committed by strikers, it is a sign of weakness.

This is so because blocking streets is not an appropriate strike action. Nevertheless, all efforts of removing the barricades by the law and order organs were treated as an attempt against the strikers, so far. All this leads to disorder and a chaotic state of affairs, preventing the public order organs from performing their duty.

I must ask Mr. Krustyu Petkov and Mr. Trenchev, the leaders of the two trade unions, a very sharp question to which I am expect an answer:

Do they consider blockades and barricades in the streets to be appropriate trade union actions? Will they assume responsibility for such blockades preventing the vital functions of the city from being performed?. I would like to stress that such actions are taken advantage of by forces that desire chaos and disorder and are aiming at violence. I would like to hear from the gentlemen in question, whether they support such forces?

Let me also make an appeal to the political forces:

Their silence is a sign of irresponsibility which leads to a dangerous situation in the city that might result in total chaos. As long as they are silent, any resolute action of the law and order organs, required by the Law is actually blocked, as it leads to clashes and to unpredictable consequences.

If the political forces, due to their stubbornness, are incapable of agreeing on questions of power, they should at least express their stand on questions of law and order. Therefore, as chairman of the Sofia City Council Executive Committee I am obliged to submit an ultimatum, although the word may sound like a cliche.

I set a deadline of 1200 [1000 GMT] for the political forces and for the trade unions connected with the blocking and obstruction of streets and thoroughfares in the city. I am not talking about the strike. If the blockade is not lifted, I shall be obliged to instruct the law and order organs to lift the blockade by force. However, the clash that might follow will be the fault of irresponsible political and trade union leaders.

[Announcer] Mr. Karakachanov, I was just alerted that our mobile radio station has reached the headquarters of the Confederation of Independent Trade Unions. Reporter Petur Donchev has been informed that you will receive an immediate response by Ognyan Krumov, deputy chairman of the Confederation of Independent Trade Unions and chairman of the Strike Committee.

[Krumov] I take the opportunity to respond and to explain to all Sofia citizens and to all our compatriots the stand of the Confederation of Independent Trade Unions. We categorically oppose such blockade actions which are aimed at obstructing normal communications and activities in inhabited settlements. They have nothing in common with trade union strike actions and none of our local organizations has ever been instructed to participate by the confederation in similar actions. I take advantage of the opportunity for calling on the students and on other citizens, who might participate in such actions, urging them on behalf of our trade union confederation to abstain from such actions, which might really provoke chaotic situations in our large cities and would not contribute to the achievement of our common goals. Thank you.

[Karakachanov] Thank you, I would like to hear the opinion of the other trade unions, but for the time being my ultimatum remains the same.

Police Reportedly Will Not Be Called

AU2911131890 Sofia BTA in English 1300 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—Mr. Aleksandur Karakachanov, mayor of Sofia and member of the Union of Democratic Forces, will not use the police to open the blocked junctions and streets in the center of Sofia.

He made this statement at the opposition rally held today by noon in the St. Aleksandur Nevsky Square and later repeated it to a BTA reporter.

Early this morning he addressed the trade union leaders calling on them to pull out their sympathizers from the junctions they blocked, saying that if it was not done, he would have to resort to force. Both the Podkrepa Labor Confederation and the Confederation of Independent Trade Unions distanced themselves from the groups blocking the streets. A lot of people gathered there, but the police did not come.

This evening you will hear what you are looking for, Mr. Karakachanov announced. I am telling you in a private capacity that Lukanov's cabinet will fall from power soon, he said.

The mayor of Sofia was both cheered and booed. He backed up the demands raised by the strikers. But he also upheld his intention to use force, explaining that there are children, old and sick people in Sofia and its streets must not be blocked. "I have no intention to please everybody," the mayor said and was not embarrassed in the least when many of the participants in the rally booed him.

Mr. Karakachanov appealed several times on the supporters of the Union of Democratic Forces to show that not only could they overthrow cabinets, but could also keep peace.

Later on Mr. Karakachanov told a BTA reporter he expected that the details of the decision of the Political Consultative Council would be announced by six or seven o'clock this evening. He said the reaction of the political forces was very important for him in his capacity of mayor. "I will keep trying to speak to the people blocking the junctions. But I hope that in a few hours after the decision is announced, tension in the streets will ease," the mayor of Sofia said in reply to the question if he would resort to force.

Podkrepa's Trenchev Comments

AU2911123490 Sofia Domestic Service in Bulgarian 1100 GMT 29 Nov 90

[Text] We have just received in the studio a BTA report from Varna which concerns the questions raised by Aleksandur Karakachanov, chairman of the Provisional Executive Council of Sofia City People's Council, and broadcast by the Khorizont Program today, which were also addressed to Konstantin Trenchev, chairman of the Podkrepa Labor Confederation.

The BTA correspondent in Varna asked Konstantin Trenchev, who was attending a rally at the Elektron Combine in Varna, to make a comment.

In answer to the Sofia mayor's question concerning the roadblocks in Sofia, the trade union leader said: This is a spontaneous form of protest, and was foreseen. In this case, I consider that the political forces, not the people, must show common sense. All the possibilities for finding a solution have not been exhausted. Podkrepa officials have visited the locations concerned and established that the actions are not organized by us.

However, let us assess the psychological motives which brought people into such a state. I consider that both sides must reach a compromise.

Sofia SDS Warns of Confrontation

AU2911124390 Sofia Domestic Service in Bulgarian 1105 GMT 29 Nov 90

[Statement by Dr. Yordan Todorov, chairman of the Sofia Consultative Council of the Union of Democratic Forces; place and date not given—recorded]

[Text] In connection with the tense situation created at the major road junctions in Sofia and the possibility of the use of force, the Union of Democratic Forces [SDS] is against such violence. We do not want confrontations with the law enforcement organs and clashes with officers of the Ministry of Internal Affairs. We consider

that forces outside the SDS are interested in such clashes, which may have unforeseeable consequences. Accordingly, we appeal both to our own supporters and to the organs of the Ministry of Internal Affairs to desist from hasty actions and the use of force.

Let us wait for the political forces, who are meeting at the moment in the Presidency, to reach a decision on the situation created in Sofia. We are for a peaceful transition to democracy. Order will be maintained and the tension will abate if those who have provoked it—the government of Mr. Andrey Lukanov—immediately submit their resignations.

Government Responds to Burgas Oil Worker Demands

AU2711195890 Sofia Domestic Service in Bulgarian 1830 GMT 27 Nov 90

[Text] The position of the Council of Ministers on the demands of the oil processing workers is:

The Strike Committee of the Podkrepa Labor Confederation at the Burgas Oil Processing Combine published today three demands and threatened that if they are not met by Wednesday [28 November] a real strike will begin. In this context the Press Center of the Council of Ministers has been authorized to declare the following:

The first demand dealt with increasing the supply of crude oil for processing by the combine. The government is doing everything possible to ensure the minimum quantity of oil for processing. As a result of the efforts of the Council of Ministers and its chairman, the competent Soviet organs have ordered the immediate loading of the three Bulgarian tankers which are now in Soviet Black Sea ports. Thus the acute shortage of raw material in the combine will be eliminated.

The second demand dealt with resolving certain issues related to the pensions of the oil processing workers. The Ministry of Employment and Social Welfare has submitted a proposal to review those issues by a tripartite commissions on coordinating interests, and by the Grand National Assembly Social Policy Commission. The issues will be reviewed and resolved.

As far as the third demand is concerned, already tomorrow, 28 November, a commission will go to the oil processing combine and will carry out a comprehensive financial audit. A group appointed by the Council of Ministers will also go there and will facilitate the continuation of normal production.

We must point out that since the beginning of the year the Council of Ministers positively answered many social and economic demands posed by the workers of the Burgas Neftochim Company.

Workers Prepare Shutdown of Plant

AU2811120790 Sofia Domestic Service in Bulgarian 1000 GMT 28 Nov 90

[Text] [Announcer] The Khorizont Program has received a telephone call from Dimo Kolev, representative of the National Strike Committee:

[Begin Kolev recording] At Burgas Petrochemical Combine, Podkrepa has issued a warning that the token strike will change over to effective actions. After an information blackout has been imposed on the actions of the strikers, their numbers are steadily increasing. The strike committee called upon the prime minister and his cabinet to submit their resignation, warning that otherwise we would change over to effective actions throughout the enterprise. After the failure to fulfill our demand by 2300 [2100 GMT] on 27 November, we started to shut down the operation of various production departments in the combine's system. [end recording]

[Announcer] Irina Tomova immediately telephoned the Burgas Petrochemical Combine and spoke to the chairman of the Podkrepa Petrochemical Workers Trade Union, Engineer [name indistinct].

[Begin trade union chairman recording] The effective strike began a long time before the strike committee adopted a decision on effective action. It began when the government ensured supplies of petroleum for only 30 percent of our production capacities. The majority of the installations were shut down in advance. However, today, as it has already turned out, the situation cannot be restrained, and the installations are beginning to be shut down not by the decision of the strike committee, but because the labor collectives themselves are starting to close them down. We appealed to the economic management to draw up a plan for the normal shutdown of the installations, but this plan was rejected by a representative of the Council of Ministers. At the moment, the workers have started to shut down the installations. The role of the strike committee is rather to regulate the normal shutdown of the installations. There are no emergency situations, no serious situations which might lead to irreversible consequences. What is more, the strike committee even intervened in the procedure being adopted for the shutdown, to ensure that the shutdown of the installations should not lead to very serious consequences. This is perhaps the final decision, which was taken spontaneously by the collectives themselves.

We want petroleum, because without petroleum the petrochemical workers will have no jobs. If there is no petroleum, there will be no fuel for the entire country, as we await a harsh, cold winter. We are aware of this, and our demands are directly connected with the fate of our state, with the fate of our nation. If we are supplied with petroleum, in 48 hours everything will be brought back into normal operation. Within 48 hours we can bring [word indistinct] back to the what we have been needing for six months. [end recording]

[Announcer] Our Burgas correspondent Rositsa Spasova has reported that a rally has just ended at the Burgas Petrochemical Combine in which Podkrepa Chairman Mr. Trenchev took part. About 2,000 petrochemical workers attended the rally, which was addressed by Mr. Trenchev and National Assembly deputy Georgi Baev. The main slogans were "We want petroleum" and "Resign!"

Podkrepa Committee Head on Strike Developments

Talks Reported at Sofia Airport

AU2811155290 Sofia Domestic Service in Bulgarian 1500 GMT 28 Nov 90

[Interview with Dr. Krustyu Krustev, chairman of the Podkrepa Labor Federation Strike Committee, by Khristo Khristov in Sofia—live]

[Excerpt] [Khristov] Dr. Krustev, a short while ago we broadcast from Sofia airport, where we were informed that the general manager and the strike committee of the airport are currently negotiating with you. It appeared that they have already left. What was the result of the negotiations, and can you tell us anything new?

[Krustev] The negotiations resulted in compromise on both sides. The request of the general manager and the foreign airlines was satisfied. From now on, Sofia airport will service takeoffs and landings of foreign airlines only. Bulgarian aircraft will remain on the ground.

[Khristov] Can you provide some new data on the strike?

[Krustev] The new developments can be described as a new manner of communication among the people. This is the most interesting thing. I do not want to express it in figures, but I would like to tell you how the bread plant supplied bread to the strikers of the Malashevtsi city transport enterprise workers, 95 percent of whose personnel are on strike. The strikers had no bread and a vehicle carrying bread was dispatched to them by the bread plant. The same happened with the Druzhba transport enterprise.

The other news is the political consultations among the parties and public organizations in which we partially participated. We held meetings with the president, with Mr. Ginyu Ganev, and with the parliamentary groups. [passage omitted].

Airport Service Limited to Foreign Carriers

AU2811192090 Sofia BTA in English 1843 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The airport of Sofia will service the landing and taking off of foreign aircraft only, it was announced today in the afternoon. The Bulgarian airplanes will remain on the ground. This agreement was reached at the talks the director general of the airport had with the strike committee and the chairman of the Podkrepa Labour Confederation strike committee.

Since 00:00 hrs. last night the airport had been closed for domestic and international flights because part of the engineering crew went on strike.

'VIP' Flight Denied Takeoff

AU2911122890 Sofia BTA in English 1151 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—Airplanes belonging to the former "VIP aircraft fleet" of the Bulgarian Balkan Airlines have tried twice today to take off from the Airport of Sofia, without the permission from the control tower.

It is not clear who the passengers and the cargo of the airplanes are, nor the identity of their crews.

This announcement has been made on radio by a spokesman for the Podkrepa Labor Confederation.

Although the technical brigade and the ground crew have been on strike since yesterday, the two former VIP planes tried to take off without clearance from the control tower and the customs department.

Podkrepa, the main organizer of the general strike in the country, has informed the security forces and the prosecuting magistracy about the incidents.

Late last night a Podkrepa spokesman told the BTA that the strike committee had reached an agreement with the representatives of the foreign airlines in Sofia to be given the manifests four hours before each flight. The strikers in the Sofia airport allow flights of foreign airlines only. According to the Podkrepa spokesman the trade union organization has received reports that people who are involved in financial fraud would try to leave the country illegally in anticipation of the fall of Lukanov's socialist government.

Transportation Minister Reports on Strike Effects

AU2911140890 Sofia Domestic Service in Bulgarian 1100 GMT 29 Nov 90

[Excerpt] At a news conference held today in the Ministry of Transportation, representatives of the mass media were briefed on the state of the transportation system throughout the country. Our representative Nikolay Angelov was at the news conference and is with me now in the studio.

[Angelov] The news conference was not attended by any representatives from the Transportation Workers Trade Union, the Confederation of Independent Trade Unions, or the Podkrepa Labor Confederation. Accordingly, the information which I have available was provided only by the employer, and directly announced by Minister Atanas Popov. I will therefore recount the facts without any commentary.

According the information of the Ministry of Transportation, the transportation system has not broken down, but is operating with difficulties. Of the 33,000 persons employed in the system, about 2,500 are directly engaged in effective strike actions. Today Sofia is paralyzed for the third day. The situation is the same in Plovdiv and Petrich. However, vehicles carrying freight for special purposes are not being blocked.

Passenger and freight trains are running according to the normal schedules. The conveyance of resources and essential materials is not interrupted, and shipping is not affected by strikes.

At the moment talks are in progress at Balkan Airlines on permitting Bulgarian planes to make international flights. [passage omitted]

Sofia Radio Workers Join General Strike Call

AU2811202390 Sofia Domestic Service in Bulgarian 2000 GMT 28 Nov 90

[Text] Dear listeners, after an agreement between Aleksandur Vladkov, (?chairman) of the Committee on Radio, and Dimitur Vasilev, chairman of the Strike Committee of the Podkrepa Association of Radio workers, and taking into consideration the fact that more than 50 percent of the Bulgarian Radio workers supported the general strike announced by the Podkrepa Labor Confederation and began real strike activities, and after consultations with representatives of Free (?Reporting) Club and the chairman of the Radio Section of the National Radio and Television Trade Union, it was decided to announce a real strike by Bulgarian Radio as of 2200 [2000 GMT]. The strike conforms with the requirements of Article 14, Paragraph 2 of the Law on Labor Disputes. The sides agreed to sign a protocol on ending the strike immediately after the basic demands made by the Strike Committee of the Podkrepa Labor Confederation on 19 November 1990 are met.

You, esteemed listeners, who now listen to the "Khorizont" program and certainly are interested in the situation in the country, can be sure that we will continue to inform you about the strike that is taking place in this fateful political moment for Bulgaria. Our strike reflects the position of more than 1,000 radio workers, whose right to freely report on events was denied for decades. We do this in the name of a change we believe in. Therefore we will continue to report on the events with the faith that many of you share—namely, that we are following the correct road.

Miners Join Rally at Radio Station

AU2911163090 Sofia Domestic Service in Bulgarian 1600 GMT 29 Nov 90

[Text] About one hour ago in front of the Bulgarian Radio building a major rally organized by the Podkrepa Radio Association and Free Airwaves Club, ended.

Thousands of members and supporters of the Podkrepa Labor Confederation, who before this rally took part in another major rally at St. Aleksandur Nevski Square, joined the radio workers. Representatives of the Podkrepa Association and Free Airwaves Club of the Bulgarian Radio reiterated their solidarity with the strike, and in addition, pointed out that they demand the resignation of Aleksandur Vladkov, chairman of the Committee on Radio. It was declared again the journalists will oppose any attempt to censure information intended for the listeners.

Representatives of the striking miners from the Pirin State Mines, were guests at the rally. They declared that if Andrey Lukanov's government does not resign by Monday [3 November] all shifts will begin an indefinite hunger strike in the mines.

Power, Health Care Workers Ready To Strike

AU2811210590 Sofia Domestic Service in Bulgarian 1830 GMT 28 Nov 90

[Text] The United Strike Committee of Energetika Trade Union at Podkrepa Labor Confederation and the Union of Power Supply Workers declare their firm intention to begin real strike activities if repressions are initiated. The blame for any damage will rest with the government. They appeal to all their members and supporters not to succumb to any provocations and implement only the instructions of the United Strike Committee.

The United Strike Committee of Medical Workers in Bulgaria calls for an immediate reform in the sphere of health protection. Otherwise they will announce a general strike. Such a strike was announced today by Sofia's 25th clinic.

Independent TU Protests Against BSP Rally

AU2811210390 Sofia Domestic Service in Bulgarian 1830 GMT 28 Nov 90

[Text] The Executive Committee of the Confederation of Independent Trade Unions sent a declaration to the Supreme Council of the Bulgarian Socialist Party [BSP]. In it indignation is expressed over the extremist behavior of some of the participants in the BSP rally of 24 November.

After ending the rally, which was officially permitted by Sofia's authorities, demonstrators waving red flags with the BSP insignia surrounded the building of the confederation.

We have, are, and will be tolerant toward the political forces. We will continue to follow the line of political nonalignment with any political force, the declaration reads.

The declaration demands that the BSP Supreme Council investigate the matter and identify the direct instigators and participants in the 24 November act. The BSP

Supreme Council should officially publish its position in the mass media and clarify its attitude toward such acts by the Socialists.

The Executive Committee of the Confederation of Independent Trade Unions preserves its right to turn to the court organs and demand strict responsibility from the perpetrators of this vandalistic act.

Students Call For Mass Street Protests on 29 Nov

AU2811161090 Sofia Domestic Service in Bulgarian 1500 GMT 28 Nov 90

[Statement by Metodi Zdravkov, member of the Sofia University Students' Strike Committee in Sofia; place and date not given—live or recorded]

[Text] [Zdravkov] Announcement of the Sofia City Students' Strike Council: Today, on 28 November 1990, the peaceful and categorical students' protest was subject to an unprecedented outrageous action by the Ministry of Internal Affairs Organs. The and government is certainly not inactive. The government is beating up people. It is beating up us, your children, for our actions aimed at seeking moral standards and truth, for our actions aimed at the necessary prompt, democratic changes, at the implementation of our rights to live in dignity.

Considering that we have been on strike throughout the last four weeks, and considering that the state organs do not pay attention to our strike declaration published on 5 November 1990, we the students on strike, are organizing mass street protest demonstrations.

As of tomorrow 29 November 1990, we call on all our colleagues and citizens who are concerned about Bulgaria's fate to organize and participate in mass street protest demonstrations demanding that the new government provide serious guarantees for promptly satisfying our demands.

To Protest Communism's 'Inhuman Face'

AU2811211490 Sofia Domestic Service in Bulgarian 2100 GMT 28 Nov 90

[Text] An announcement of the Sofia Students Strike Committee points out that the peacefully organized and firm student protest encountered unprecedented violence on the part of the organs of the Ministry of Internal Affairs.

As of tomorrow we, the striking students, will organize mass street rallies, the announcement reads.

The striking students in Plovdiv also sharply protested the violence used against their Sofia colleagues. With this criminal act Mr. Lukanov's government again demonstrated the inhuman face of the communist system, the declaration of Plovdiv students reads. They demand that legal responsibility be sought from those guilty of the inhuman crime.

Police Deny Reports of Students Being Beaten

AU2811202990 Sofia BTA in English 1939 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—A spokesman for the police has refuted the statement made by the Students' Strike Committee that two students were beaten this morning in a Police station.

According to the spokesman the students were arrested because they "put up active resistance" when the police tried to clear the most busy crossing in Sofia blocked by striking students.

There was a clash when the police intervened and a policemen got hit on the head.

The students were taken to a police station and, having given their "explanations", they were released. Witnesses who were present in the police station state the police did not resort to physical violence against the students.

Earlier today the Students' Strike Committee announced that the students were beaten and that they got medical certificates evidencing they had "medium-degree bodily injury". An inquiry is being held into the two students' statement that physical violence had been employed against, the Police spokesman said.

He underlined that the police forces would act "firmly and decisively" to prevent any attempt at disturbing public peace.

All day today the center of Sofia has been closed for traffic by striking students.

A group of miners (one of them said they were about 3000) from Pernik, a town at 30 km away from Sofia, arrived in the capital today to insist on the resignation of the government.

With helmets and lit davy lamps the miners packed the streets around the building of the Bulgaria Television. A speaker called on the miners to keep their heads cool and "respect the police who are keeping the peace of the television workers who are also on strike". The miners obeyed and went to the Orlov Most [Eagles Bridge] crossing where they were hailed by the students and citizens who have been there blocking the traffic since this morning.

Zhelev Discusses Sit-In Situation With Rectors

AU2711194490 Sofia Domestic Service in Bulgarian 1830 GMT 27 Nov 90

[Text] On 27 November, Dr. Zhelyu Zhelev, chairman of the Republic, received the members of the Council of Rectors of the Higher Educational Establishments at their request.

The council expressed concern that if the student sit-in continues the academic year could be wasted. The rectors declared that the students' demands are justified. However, the stressed that they do not support the sit-in as a form of protest. They briefed the president on the attempts to resolve the students' everyday problems and pointed out that the students' basic demands are of political nature, and as such, they could be satisfied only by the country's political forces.

The president stated that he will do everything he can, but stressed that the solution of the students' political demands is related to the political developments in the country and primarily to overcoming the governmental crisis.

The Council of the Rectors demanded that an answer to the students' demands be included in the eventual agreement between the Bulgarian Socialist Party, the Union of Democratic Forces, the Bulgarian Agrarian National Union, and the Movement for Rights and Freedoms.

Lukanov Responsibility for Current Crisis Viewed

AU2811105590 Sofia POGLED in Bulgarian No. 48, 26 Nov 90 pp 8-9

[Angelina Petrova article: "The Ship Is Sinking, What About the Crew?"]

[Text] Andrey Lukanov sacrificed everything to his dream of heading a government based on national consensus in post-November Bulgaria and he has lost almost everything. Insisting on the common support of all parliamentary groups for the amended budget of his one-party government, he barely managed to win all votes even from his own faction. Nevertheless, the stake with which he played was not his political career, but the legitimate right of his party to govern the country following the June 1990 elections.

According to Deputy Ivan Kostov from the Union of Democratic Forces [SDS], Lukanov lost because he understimated the opposition's chances of achieving its goals. Kostov pointed out as follows: "On the basis of his social standing as a third-generation politician, he simply despises us. He regards us as a gang some members of which he might easily cope with thanks to his undeniable skills in behind-the-stage manipulations." Kostov added that he still considers Lukanov a worthy opponent, but one who has no future.

According to Aleksandur Lilov, Lukanov lost because he tried to beat everyone at his own game, the Bulgarian Socialist Party [BSP] included. Lilov was referring to the unspoken agreement between Lukanov and Zhelyu Zhelev on leaving the presidential post to the SDS and the participation of the union in a government headed by Lukanov. This is no longer a secret, as it was admitted during that dramatic night of Thursday, 22 November. "Your are very well aware of the role Lukanov played on the occasion of the president's election," Aleksandur Tomov told the right wing in parliament, thus rejecting the accusation expressed in their declaration that the prime minister is serving BSP interests. It was also claimed that Lukanov persuaded Mladenov to resign as president.

Neither the BSP, nor the SDS, however, can justify Lukanov's lack of determination in applying the most urgent government measures for rescuing the country from the hopeless deadlock of economic disaster. As early as in March 1990 he should have assumed the responsibility for the so-called "small-scale privatization" in the agricultural sector, likely to guarantee the feeding of the first private farmers during the winter season, by at least partilally relieving them from the burden of state deliveries. Immediately following the election of his second cabinet by the Grand National Assembly, however, Lukanov should have initiated fundamental economic reforms without which the country could not count on assistance from any partners abroad.

The SDS economic experts are even more inexorable in their evaluation of a political figure who is stepping down from the stage. They claim that economics had never been Lukanov's strong point, as a result of which he was incapable of selecting the best advice given to him for rescuing the country from the grave inheritance of the past. It is easy for the victors to judge the defeated. It is even easier to do so under the present circumstances when time is working in favor of the still unknown leaders and against the well-known names who have already asserted their qualifications. According to one of the Nikola Petkov Bulgarian National Agrarian Union [BZNS] deputies, Lukanov's greatest shortcoming is his affiliation with the BSP. Otherwise, he has all assets qualifiying him for the post of a hypothetical SDS leader, the aforementioned deputy added.

Nevertheless, can we say that someone was duped during the several months of behind-the-stage power struggle, and if so, who was duped?

The majority of us would first cite Andrey Lukanov's name, and thus justify all evils that have affected our long-suffering people over the last months.

Lukanov himself, however, has no reasons to consider himself duped. Prior to the decisive parliamentary crisis which erupted on the night of Thursday, 22 November, President Zhelev even refused to discuss any other names for the post of government leader, except Lukanov's. "There are hopes that the Lukanov cabinet will begin to work more efficiently," Dr. Zhelev told me at the airport on Wednesday, 21 November, when he returned from Paris together with the prime minister. However, the problem is not about the president's "word of honor," which according to Ivan Kostov he has by no means betrayed. The real problem is that Dr. Zhelev has no "influence whatsoever on the SDS about the question of removing Lukanov from the post of prime minister," (citing Kostov once more). If Mr. Lukanov did not manage to understand the simple fact that the SDS would refuse to support him under all circumstances if

this support should improve the new image of his party, he evidently does not possess one of the essential qualities required for a political leader, namely a sense of reality. Having gone through the Zhivkov mill, Lukanov has become incapable of winning under the new political circumstances, Mr. Kostov explains.

The BSP parliamentary faction still hopes that it may preserve its position of a ruling majority even if Lukanov should no longer be prime minister. The SDS parliamentary faction is already distributing the posts of deputy chairmen of the Council of Ministers in a coalition cabinet in the following order: Two for the SDS, one for the BZNS represented by Viktor Vulkov, and one for an unidentified BSP member. The most probable candidate for the post of head of such a cabinet would be Dimitur Ludzhev, despite the fact that Dr. Petur Beron is also ready to sacrifice himself for this role, as he already announced to the media, considering that he was involved in the behind-the-stage negotiations for the posts of president and vice president last summer. Only if Doctor Petur Dertliev were to accept the leadership of an SDS coalition government would Mr. Ludzhev not have a chance. The talks about ministerial posts are pursued between representatives of the political forces represented in parliament. Mr. Yanaki Stoilov, the delegate of the BSP to the talks withdrew on the grounds that "people are just distributing ministerial posts, instead of discussing the future tasks of the government," as he explained.

Both superpowers in parliament are afraid of a parliamentary crisis. However, both sides have sufficiently contributed to the threatening escalation of the people's lack of confidence in their capability of preventing the crisis. The present cabinet members will probably not remain in their posts within the forthcoming weeks.

Latest Poll Shows Zhelev's Growing Popularity

AU2911112790 Sofia BTA in English 0956 GMT 29 Nov 90

[Text] Sofia, 29 Nov (BTA)—According to a representative public opinion poll 73 percent of the Bulgarians approve the election of Dr. Zhelyu Zhelev president of the country and 67 percent approve the election of general Atanas Semerdzhiev vice president. The inquiry has been held with 1,973 respondents by the Descartes Company.

Twenty percent of the respondents who at first did not approve Dr. Zhelev's election now approve it.

Forty-nine percent of the respondents state that if Dr. Zhelyu Zhelev runs for president in direct elections they will cast their votes for him.

Before he was elected president Dr. Zhelev led the opposition Union of Democratic Forces. General Atanas Semerdzhiev is a member of the Bulgarian Socialist Party. According to the specialists the inquiry shows that it is characteristic of the sympathizers of both biggest political forces to accept unconditionally the representative of the organization they support and reject the representative of their opponents. But this tendency is much more marked among the adherents of the Socialist Party.

It was suggested to the respondents to evaluate 17 actions and initiatives the president and the vice president carried out in their first 100 days. Only two of the initiatives are approved by less than half of the respondents the sending of a military unit of volunteers to the region of the Persian Gulf (approved by about 40 percent of the respondents) and the exercise of the presidential right to pardon (it is approved by a little less than 50 percent). Most respondents approve the decree by which some of the privileges of the veterans of the Communist movement have been abolished.

"Can President Zhelev help the country overcome the crisis?" Seventy-six percent of the respondents answered positively. Seventy percent consider that the president's actions contribute to finding a peaceful way out of the crisis.

National Struggle for Power Analyzed, Surveyed

AU2811101390 Sofia NARODNA ARMIYA in Bulgarian 26 Nov 90 p 1

[Major Lyubomir Denov article: "That Sweet Word Power!"]

[Text] The instinct for power is stronger than that for self- preservation. I was finally convinced of the eternal truth of this maxim after the last two sessions of the Grand National Assembly and the subsequent whirlwind of events in the country. Indeed, the burning fuse of mutual infuriation has already reached the gunpowder keg. It is a good thing that this keg has not completely lost the cooling moisture of national sobriety yet. Who knows, maybe now the political sluggishness of the Bulgarian will be all for the good!

The picture obtained from the last sessions of parliament proved these conclusions, most of all through the indifference shown by parliament. Instead of providing a tone of chastity and realism in the face of the explosive situation in the country, the elected people's representatives practically went for each another's throats! What a disgrace! Such incidents were not noted during the two evenings even among the thousands of demonstrators thronging around the parliament building....

When the big power card comes into play, said a parliamentary reporter on Friday [23 November], there is no squeamishness about the means used. The stakes are so high that there is hardly any time to think about how the public will regard one move or another. Is this morality? Who says that there are any morals in politics?

The mutual intolerance of the main political forces in parliament has reached such a level that they cannot even reach agreement on a recess between sessions, let

alone on something like a national understanding. The name of the apple of discord is once again executive power. That sweet word power! Since the world began, millions have died for it, but there are no signs of anyone having come to his senses. Who will be the next victim?

After Friday's vote of confidence in Andrey Lukanov's cabinet, this issue seems to have fallen by the wayside, but only for the time being, because it is as clear as the light of day that neither the Blues nor the Reds have the strength to govern by themselves. Thus, what is to be done when the one side will not part with power under any circumstances, while the other is resolved to take it at any price?...

Can it be said that 201 votes represent the parliamentary support that Lukanov wants so much? Of course not. Nevertheless, despite this he did not resign. It is hardly likely that the voting through of the amendments to the Law on the Budget, which allows a start to be made on the schedule for the first 100 days of the government's program is enough to satisfy him, because the opposition is firmly determined to block it both from below by a general strike, which "Podkrepa" should be starting today, and from above, by refusing to continue to take part in the work of the Grand National Assembly, thus frustrating the adoption of the package of laws without which the program remains a mere heap of paper.

Thus, our country faces complete paralysis.

The parliamentary crisis which we have finally reached, alongside all the other crises, can no longer be resolved without a new government. If the Union of Democratic Forces decides to support the "Podkrepa" strike, we will undoubtedly witness a new round in the great crisis. It will be no wonder if, as one member of parliament said, "we pass from the crisis of power into the power of the crisis." How much more does our already exhausted economy need? Another one or two sharp shocks will do it.

For this very reason I was sincerely amazed when the president appeared on television on Friday [23 November], full of concern over the unrest in Kurdzhali and Razgrad, while at the same time yet another scandalous scene was breaking out in parliament, and our country is on the brink of complete chaos! Why are we rushing to examine the effect, when the cause is staring us in the face? Is it not high time for the president to tackle the issue of all issues, namely the government, and to justify the hopes of the thousands of Bulgarians who see their last hope of rescue in the presidency?

BSP's Tomov on Government Program, Party Unity

AU2611120590 Sofia DUMA in Bulgarian 22 Nov 90 p 6

[Interview with Aleksandur Tomov, deputy chairman and coordinating secretary of the Bulgarian Socialist Party Supreme Council, by Dora Chichkova; place and date not given: "The Government Is Entitled To Implement its Program"]

[Excerpt] [Chichkova] The most recent rally by the opposition left us apprehensive about this coming Thursday. What is the Bulgarian Socialist Party's [BSP] approach to the new wave of pressure from the street?

[Tomov] The pressure of street demonstrations upon parliament and on the state structures, under the present circumstances, is extremely dangerous and unacceptable from the point of view of contemporary democratic rules. We have a legitimate parliament and this is the greatest asset of Bulgarian democracy. Hence, all issues related to the government should be decided within the parliament. Extra-parliamentary pressure is a method which was rejected by the majority of political forces. Some of the politicians from the Union of Democratic Forces [SDS] also reject such methods.

[Chichkova] Lukanov declared that he is unwilling to implement the government program without extensive support. Has the BSP any alternative candidate for the post of prime minister if Lukanov resigns?

[Tomov] In the first place, we can discuss the question of Lukanov remaining in his post of prime minister only after today's vote. However, in any event, we can assert that his government has a right to existence, considering that the government's program is based on valid arguments and has achieved international acceptance. It would be difficult to invent a totally different program that is also based on solid economic arguments and enjoys international recognition. We have a legitimate government and it is hardly necessary to propose an alternative option for a new prime minister under the present circumstances.

[Chichkova] Why can the BSP not accept an SDS government headed by an SDS prime minister? Under what form would the BSP accept a government in which the SDS prevails?

[Tomov] An SDS government could not be strong under any circumstances, as long as the BSP has a majority in parliament. Parliament has to exist because it was legally elected. For this reason, I cannot imagine any other possibility except a coalition government, or a government headed by a prime minister from the Socialist Party, or one who is supported by the BSP. These are the only possible options, in my view.

[Chichkova] The previous BSP meeting created the impression of a split in the BSP. Numerous Socialists are worried. Did any fire remain beneath the ashes after yesterday's meeting?

[Tomov] I am convinced that both previous sessions, which lasted throughout the night, and yesterday's meeting clearly showed one thing—namely that no personal conflicts or power struggles exist within our party. The debates strictly focused on questions of principle

and questions of policy; they touched on political responsibility for the past, and on the party's future development. [passage omitted]

Blagoevgrad Citizens Request Penev's Resignation

AU2811162090 Sofia Domestic Service in Bulgarian 1500 GMT 28 Nov 90

[Text] We have received 4,000 signatures from the citizens of Blagoevgrad demanding the resignation of Internal Affairs Minister Penev, the resignation of the Grand National Assembly, and the resignation of the Nationwide Strike Committee for not having requested the resignation of the National Assembly.

Former Leader Zhivkov Admits to 'Wrong Politics'

LD2811115490 Hamburg DPA in German 1032 GMT 28 Nov 90

[Text] Sofia (DPA)—The former Bulgarian state and party leader Todor Zhivkov (79), who was toppled a year ago, has for the first time admitted his political responsibility for wrong politics.

"For over 30 years I have led a sinful system", Zhivkov, who is under house arrest, said in a DPA interview in Sofia today. "Of course, I accept the political responsibility for that."

"I have been honest and sincere, I have a clear conscience", Zhivkov said, denying any criminal responsibility.

"Unfortunately we idealized everything that was done in the Soviet Union" Zhivkov said about the introduction of communism in Bulgaria. In 1954, he took over from his predecessors a "Stalinist system" with "high unemployment, a lack of money for salaries and riots among the working class". "Within just a few years, I led Bulgaria into a normal life." Only "in the summer of 1987 we realized that this system is wrong in principle", Zhivkov continued to describe his situation. With the Soviet perestroyka, problems started in Bulgaria.

Zhivkov said the planned legal proceedings against him for "personal enrichment" by 26 million lev (following the official exchange rate, 26 million Deutshe mark) were "dirty and fraudulent proceedings". "I am the only president in the world who does not own anything other than the clothes I am wearing", the former head of Bulgaria stressed. He is now living in a small villa with his granddaughter, Evgenia. He kept "copies of all documents in a safe place. With them, I will prove my innocence to the court."

Today's top politicians "in government and opposition" wanted to make him alone responsible for the crisis to clear themselves, Zhivkov said. For this purpose, the state prosecutors dealing with his case were replaced, and several of his closest colleagues were driven to commit suicide. He did not feel responsible for the current economic crisis: "When I resigned one year ago, it was still possible to buy nearly everything in the shops." He appealed to the West "to make clear that I do not have a single account in the West and to watch my trial closely."

Journalists Denounce Interference With Media

AU2811164090 Sofia BTA in English 1628 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The Secretariat of the Union of Bulgarian Journalists has come out with a declaration in which it is said:

The prime minister has made an attempt to intervene in the work of the national mass media—the Bulgarian Radio, the Bulgarian Television and the Bulgarian Telegraph Agency. This is the first case of curtailing the freedom of speech and restricting the right to information in the last year and it must be the last one!

The Secretariat of the Union of Bulgarian Journalists decisively condemns such undemocratic attempts to exert pressure, it is said in the declaration.

In the hard times the country is having now, the Secretariat appeals on the people working for the national mass media to provide full, just and objective information.

Militia Union Protests Against Biased Reporting

AU2811210190 Sofia Domestic Service in Bulgarian 1830 GMT 28 Nov 90

[Text] The military employees independent trade union organization protest the false, incompetent, and biased reporting and commenting on the Militia's presence and activity in public places, and the tendency of certain political forces and separate authors and groups to summarize such information and make conclusions which violate the dignity and professionalism of Militia employees and turn society against them.

The organization declares that it opposes violence and political bias in the work of Militia employees, and thinks that in the past year the Militia employees gave sufficient evidence of this. They oppose unorganized and illegal activities, especially when minors take part in them.

The organization rejects the crude verbal attacks, insults, and physical attempts made against the Militia employees during the implementation of their official duties, and because of those duties, and warn that if such activities continue, the employees will begin appropriate trade union actions.

The organization appeals for more energetic activity on the part of the Grand National Assembly, the state organs, and the executive power, to protect peace, national security, and public order in the Republic of Bulgaria.

BSP's Lilov Meets With Workers' Collectives

AU2611140890 Sofia DUMA in Bulgarian 21 Nov 90 p 3

[Vasil Popov report: "Socialists From Workers Collectives Met Aleksandur Lilov"]

[Text] The Bulgarian Socialist Party [BSP] has distanced itself from the workers class, both as a protector of its interests and as a political force which relies on the backbone of the workers class. This remark made by Aleksandur Lilov was confirmed by the majority of speakers during yesterday's meeting of Socialists—representing labor collectives from all Sofia municipalities—with the chairman of the BSP Supreme Council.

There is no question of discussing the elimination of party organizations from workplaces, Lilov stressed. This was a correct decision because otherwise political passions would have invaded the enterprises and done the same damage to them that they caused to the country as a whole, he added.

The BSP chairman further stressed recent public events. The mass demonstrations organized by the Union of Democratic Forces [SDS] in numerous inhabited settlements and in Sofia did not achieve their goal, Aleksandur Lilov said. However, they should not be underestimated, especially the strikes motivated by political demands and certain extremist actions, such as the fire in one of the Sofia University halls and other things. Lilov stressed that all of this is an attempt to attack the government with combined methods of parliamentary struggle and extra-parliamentarian pressure by street mobs.

Aleksandur Lilov briefed his audience on the activities of the BSP in the Grand National Assembly. The opposition is not only trying to challenge the government, but also to provoke a parliamentary crisis. As long as the parliament exists, there is a guarantee that things are developing in a legal manner, Lilov added. The BSP parliamentary group has intensified its activities. The group of "sixteen" insists on its own stands on numerous issues, but it has not left the party, Lilov pointed out.

The workers who took the floor at the meeting expressed their concern about the delays in specifying the personal guilt of former leaders, in specifying unlawful actions, and in subjecting the culprits to legal prosecution. The requirement for a more precise specification of the government's economic program was pointed out and disagreement with the recent passivity of the party was voiced.

The common view was expressed that ministers and parliament members are not visiting the workers collectives in order to explain their activities, the necessity for the price increases, the budget problems, and other crucial issues. The audience insisted on convening a nationwide meeting between representatives of the workers class and the BSP leadership.

Need for National Security Doctrine Viewed

AU2011195690 Sofia NARODNA ARMIYA in Bulgarian 16 Nov 90 pp 1, 3

[Interview with Major General Stoyan Andreev, "military political expert," by Captain Ivan Genov; place and date not given: "Dangerous Contradiction—Do We Need a National Security Doctrine?"]

[Excerpts] [Genov] Is the question included in our interview's headline a theoretical one?

[Andreev] I do not intend to develop extensive theories on the issue that was posed. I shall only express some thoughts on some of its aspects, whose solution suffers no delay. It is well known that a conversion of our defense industry is under way. However, it is not known whether such a process is taking place in Turkey and Greece. On the contrary. One can notice a dynamic development of the scientific potential in new directions of the scientific- technological process related to decisively increasing the combat ability of the Armed Forces. New and highly technological branches of their military industry are being created. Turkey is the only country in Europe which is increasing its military budget. In addition, these processes, which are opposed to the conversion, take place along with the increasing destabilization of the situation in the Balkans, and especially in Bulgaria.

This is the first reason why we should think again about the direct connection between conversion and our national security. Those who adopt decisions about conversion must know whether such decisions are justified and what criteria have been used to determine this.

One also must not underestimate the second reason. The Warsaw Pact is disintegrating as a military union. The military guarantees of our security are no longer supported by the bloc system or even by bilateral treaties. The defense mechanisms of the all-European structures are far away from actual application. They have not been constructed yet, and nobody knows how to activate them. Thus, for Bulgaria a dangerous contradiction emerges between the disintegration of the Warsaw Pact and the defense structures of a future united Europe. I think that the most cruel lesson we learned from Kuwait's tragedy is that every country, regardless of its foreign guarantees, must study the mechanism of the international defense structures, determine in a strict and scientific manner the time necessary for their activation, and then invest its entire complex scientific potential in ensuring its survival by military means, at least during the predetermined critical period. This is the most important task of every nation and every state. Kuwait had investments of $200 billion in more than 30 countries. Six of them belong to the 10 most powerful states, from a military point of view. However, only four hours after the beginning of the war Kuwait ceased to exist as a state. This must evoke some serious thought. [passage omitted]

[Genov] Obviously, somebody must immediately and seriously bring up the issue of the urgent development of a national military doctrine.

[Andreev] The military specialists must be the leaders in implementing this task. They must awake our society's conscience. The outline of a future united Europe emerges and its image in the next decade will be one of a peaceful and cooperative community. However, while this image appears to be clear, no Western state questions in any way NATO's existence. On the contrary: Discussions are conducted and programs are developed about the modernization of its military structure and its future weapons systems.

[Genov] Are you not concerned that you could be accused of militarism?

[Andreev] What is this supposed to mean? To return to confrontation? To initiate new rounds in the military race and stop the political processes? None of the above! Despite the argument about the irreversible character of the changes in the world, the aforementioned facts show that the role of the military factor in constructing new international relations, structures, and mechanisms remains very essential, without being the only or even the dominate factor. It simply does not have at the moment any efficient substitute in the system of factors which determine the stable and progressive character of world development. [passage omitted]

Romanian Ship Detained for Polluting Burgas Port

AU2811205790 Sofia BTA in English 2023 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The Ministry of the Environment has announced that the damages caused by the Romanian vessel Zialau, which polluted the sea in port Burgas, amount to 520 thousand leva or 187,394 U.S. dollars calculated at the exchange rate of the Bulgarian Foreign Trade Bank.

Mr. Aleksandur Aleksandrov, minister of the environment, has given orders to hold the Zalau under arrest until a bank guarantee for the above-mentioned amount is opened.

Diplomatic Ties With Saudi Arabia Expected Soon

AU2811170590 Sofia BTA in English 1643 GMT 28 Nov 90

[Text] Sofia, 28 Nov (BTA)—The establishment of diplomatic relations between Bulgaria and Saudi Arabia is a matter of time, Mr. Filip Ishpekov, deputy minister of foreign affairs announced today. He has recently visited Saudi Arabia as President Zhelyu Zhelev's personal envoy.

He went on to say that visits would be exchanged shortly to draw up the documents necessary for the establishment of diplomatic relations between the two countries.

The Bulgarian deputy minister handed a message from President Zhelyu Zhelev to King Fahd Bin-'Abd-al-'Aziz of Saudi Arabia and to Sheik Jabir al-Ahmad al-Jabir al-Sabah, Amir of Kuwait.

One of the topics discussed with senior officials of Saudi Arabia and of Kuwait were the possibilities for Bulgaria's cooperation with these two countries.

The possibility of Saudi Arabia's making investments in Bulgaria in fields such as construction, agriculture and tourism and the two countries' cooperation in the financial sphere were discussed with the Saudi Arabian side.

It was agreed with the Kuwaiti side that the Amir and the Government of Kuwait would soon send their representative to Bulgaria to discuss the possibilities for the promotion of the two countries' relations in the field of politics and economy. The question of Kuwaiti investments in tourism, agriculture and the food industry in Bulgaria was raised again; cooperation in finances was also considered.

Turkish Health Minister Signs Agreement, Departs

TA2111195190 Ankara TRT Television Network in Turkish 1800 GMT 21 Nov 90

[Text] In Sofia, Turkey and Bulgaria have signed an agreement envisaging an increase in cooperation in the field of health. Health Minister Halil Sivgin, who concluded his official contacts in Bulgaria, left the country for Albania.

Speaking at the signing ceremony, Sivgin said that a new phase has begun in bilateral relations. Noting that it is in the interests of both countries to develop relations in all fields, Sivgin said: In this new phase, let us explore fields of joint interests instead of creating unnecessary tensions. Ivan Chernozemski, the Bulgarian minister of public health and social welfare, described as a significant step the cooperation to be achieved in the fields of organ transplants, medical education, and oncology, and in the exchange of specialists. According to the agreement, Bulgaria will import medicine from Turkey, and Turkey will open pharmacies in Bulgaria. Turkey is also expected to organize a pharmacological fair in Bulgaria in the near future. While in Sofia, Sivgin also met with Bulgaria's vice president and the president of the Bulgarian health commission.

CTK Analyzes First Free Local Election Results

LD2711231790 Prague CTK in English 2108 GMT 27 Nov 90

[By Jiri Hybs]

[Text] Prague Nov 27 (CTK)—The local elections on November 23-24 in Slovakia and November 24 in the Czech lands confirmed the good position of the Civic Forum (OF) movement, brought success to communist and independent candidates, and revealed voters' low interest in parties offering separatist, nationalist and autonomy-seeking programs.

The results of the first free local elections in Czechoslovakia in 52 years made it evident that the political scene in Slovakia, the smaller of the two constituent parts of Czechoslovakia, is more dynamic and unstable than in the Czech lands. While in the June elections to the Slovak National Council (parliament), the Public Against Violence (VPN) won 48 out of the total of 150 seats, followed by the Christian Democratic Movement (KDH) which won 30 seats. In the local elections they changed their positions: KDH won 27.4 per cent the seats contested against 20.4 per cent for VPN.

The VPN positions were probably weakened after the parliamentary elections by the nationalist passions which erupted in Slovakia and which met with resistance of VPN as the strongest Slovak parliamentary and government party whose program favours preservation of a common state of the Czechs and Slovaks. KDH profited from the constant oscillation between the idea of preservation of Czechoslovakia and the idea of an independent Slovak state. Taken into consideration must be also specific position of KDH in the highly-religious Slovakia where it has no rival.

Startling is the election failure of the separatist Slovak National Party (SNS), the third strongest party in the Slovak parliament (23 seats), which placed only seventh with 3.2 per cent of seats. This was probably due, inter alia, to the fact that the party coins the slogan "An Independent Slovakia," but has no answer to the questions which are most burning for the voters, mainly those concerning social impacts of the economic reform.

What is true of the Slovak National Party, is true also of the Self-Government Democracy Movement, a party seeking regional autonomy for Moravia which is the third strongest party in the Czech National Council (parliament) having 22 seats. In the local elections, it placed sixth with a mere 2.6 per cent of seats.

Just as in the elections to the Czech parliament, the biggest percentage of votes was cast for the OF, followed by the Communist Party of Czechoslovakia. The Czechoslovak Social Democratic Party improved its position in the locals, having won five per cent of the votes cast compared with four per cent in the parliamentary elections. The Greens Party lost almost one per cent (4.1 per cent and 3.2 per cent respectively).

The elections success of the Communist Party (second strongest in the Czech lands and third in Slovakia) came as a surprise. The results showed that sharp, periodically repeated platonic anticommunist campaigns affect rather bigger towns, while the countryside where more people went to the polls than in towns, is substantially less politically-minded than towns.

The question of the communists' responsibility for the shortcomings caused by them during their 40-year monopoly rule is not evidently of great importance to the traditionally more conservative and introverted countryside, especially in the Czech lands. The more so that the countryside was preferred under the communist regime.

The countryside also had an advantage over towns in the local elections in which not parties (as in the parliamentary elections), but personalities were elected. It is also true that people in the Czech countryside ascribe greater importance rather than to political affiliation to man's character which was in a majority of rank-and-file communists different from that of party chiefs.

SNS Chairman Recalled From Parliament Presidium

AU2811153590 Prague CTK in English 1301 GMT 26 Nov 90

[Text] Prague Nov 26 (CTK)—The House of Nations of the Federal Assembly (parliament) decided today in secret voting to recall Vitazoslav Moric, chairman of the Slovak National Party [SNS], from the parliament presidium.

Out of a total of 124 votes cast 79 were for his recalling, 45 against. Five deputies abstained.

Already on November 16 a group of deputies put forward the proposal to recall Moric on the basis of his nationalistic activities. Representative of this group Petr Kulan (Public Against Violence) described Moric's activities as being at variance with the Constitution, mainly as regards his appeal for non-respect for laws approved by the Slovak National Council (parliament) and civilian disobedience to the democratically elected Slovak parliament.

Vitazoslav Moric described in a debate the current state of the political development in the country as pseudo-democracy and said that the political leadership only pretends to be democratic.

Parliament Presidium To Resume Assembly 4 Dec

LD2911020690 Prague Domestic Service in Czech 1900 GMT 28 Nov 90

[Text] The parliament Presidium met today chaired by Zdenek Jicinsky, first deputy chairman of the Federal Assembly. Under the Constitution of the Czechoslovak Federation, the Presidium promulgated the law on debenture bonds, the education act, the law on prices, the law on inventions, industrial designs, and innovations, the foreign exchange law, and a law of amendments and addenda to the

legislation on leasing and sub-leasing nonresidential premises. The Presidium also decided to resume the adjourned ninth joint session of the two Federal Assembly chambers on Tuesday, 4 December.

Assembly Adopts Convertible Currency Bill

LD2811170290 Prague Domestic Service in Czech 1130 GMT 28 Nov 90

[Jan Pokorny report from the Federal Assembly]

[Text] Today's joint session of both chambers had ended. It lasted three hours, during which the deputies elected the professional judge of the CSFR Supreme Court and 15 professional judges of the military courts. They adopted the convertible currency bill and the amendment to the law on the letting and subletting of nonresidential property.

There is great interest in the convertible currency bill. It allows for the internal convertibility of the crown from 1 January of next year and conceals almost everything which concerned convertible currency management in our country before. It will no doubt be welcomed by businesses which until now could not influence export and import. It enables entrepreneurial subjects to purchase convertible currency in banks for our korunas, and at the same time it makes it their duty to sell the acquired convertible currency. Unfortunately, the convertible currency management situation does not allow the same to be done by physical persons—that is, us—for the moment. Next year we can buy up to 5,000 korunas worth of convertible currency, and those who have not used up this year's limit can buy 7,000.

According to information from the press center, the two chambers will not meet jointly again this week. Today the Clubs of Deputies have yet to meet, and in the next few days committees of both chambers of the Federal Assembly will meet.

Three Prime Ministers Meet on Budget Problems

LD2711231190 Prague CTK in English 2228 GMT 27 Nov 90

[Text] Prague Nov 27 (CTK)—Czechoslovak Prime Minister Marian Calfa, Czech Prime Minister Petr Pithart and his Slovak counterpart Vladimir Meciar met here tonight to clear problems which have arisen in drafting independent state budgets of the national republics (Czech and Slovak) and the Czechoslovak Federation, and to set what items and taxes would be the source of their revenues.

Shortly before the meeting, Petr Pithart told journalists that the Czech budget for 1991 envisages a surplus of 2,800 million crowns and an unspecified reserve of 2,100 million.

At its session of almost 15 hours on November 24, the Slovak Government failed to approve the Slovak budget. According to information from Prime Minister Meciar's pressfoyer, a deficit of 43,000 million crowns was created in forming the budget.

Controversy arises over what belongs to the republic's resources and what to the federation ones. For instance, the turnover tax from the sales in the Czech Republic of petrol produced in Slovakia, amounting to 7,000 million crowns, would flow to the Czech budget. Earlier, this amount was returned to the Slovak budget, but the Czech Republic now wants to terminate this practice, according to Vladimir Meciar.

Speaking on Czech television, Pithart said that the Czech Government would not discuss any exceptions from the budgetary rules, and that the loss of the 7,000 million crowns would result in the collapse of the Czech budget.

Another bone of contention is the future of the transit gas pipeline running from the Soviet Union across Czechoslovakia. The Slovak side wants to divide it into the Czech and Slovak joint-stock companies. The pipeline's capacity is 68,000 million cubic metres anually, 50,000 cubic metres of which are annually transported further to Austria, Italy, Yugoslavia, Germany and France.

Strike Committee Issues Economic Reform Statement

LD2811231790 Prague CTK in English 2027 GMT 28 Nov 90

[Text] Prague Nov 28 (CTK)—The strike committee of the Czechoslovak Confederation of Trade Unions today issued a statement saying that trade unionists are not opposed to economic reform, but to the elimination of employees' from decision-making in its implementation.

The unionists also criticized disinterest in the views and needs of the working people.

The unions have protested recently that a provision on workers' co-decision making has been dropped from a government draft of new labour legislation.

Today's statement was issued in connection with the debate on amendments to the labour code in parliamentary committees. Yesterday, the confederation's general council announced a strike alert in support of the unionist demands would take effect at noon today.

Tonight, the strike committee plans a meeting with the parliamentary groups of the Civil Forum and the Public Against Violence, the two strongest movements in the supreme Czechoslovak legislative body.

PRAVDA, NOVE SLOVO Break With Communists

LD2711140190 Prague CTK in English 1317 GMT 27 Nov 90

[Text] Bratislava Nov 27 (CTK)—The "PRAVDA" daily ceases to be a paper of the Communist Party of Slovakia-Democratic Left Party and becomes an independent left-oriented daily from today.

The "PRAVDA" daily as well as "NOVE SLOVO" weekly, until now published by the Communist Party, will be published by the "PEREX" joint-stock company set up by editors of both papers.

"PRAVDA" pointed out in its today's issue the increasing need to establish a broadly conceived left-oriented daily. However, this does not mean that the Communist Party, party representatives, deputies and other readers will "lose their paper," the daily said.

Deputy on Role of Military Intelligence

LD2811234290 Prague Domestic Service in Czech 1430 GMT 28 Nov 90

[Text] Antonin Rasek, deputy for the federal Defense Minister, spoke at a news conference in Prague today on military education and prospects for military sports education.

He said the future professional army will follow a three-stage scenario. The changes made must go hand in hand with modernization, and an important role will be given to the military education system, which must produce hundreds of top quality experts, he stated.

Answering a question on military counterintelligence, Antonin Rasek said that its activity has been stopped and its members are undergoing strict reexamination. In the future this institution will carry out military defense intelligence functions, with only about one-fifth of the present staff. It will also take over tasks of the military police, including those of the crime squad, he said.

Two Independent States Wanted by Small Fraction

AU2811153290 Prague CTK in English 1848 GMT 26 Nov 90

[Text] Prague Nov 26 (CTK)—Only 12 percent of Czechs and 16 percent of Slovaks favoured the establishment of two independent states in an opinion survey conducted by the Association for Independent Social Analysis (AISA) throughout Czechoslovakia at the beginning of this month.

The results of the survey were disclosed by AISA representatives at a press conference here today.

Forty-eight percent of Czechs and 34 percent of Slovaks agreed that the federation must be economically strongest in order to be able to help the republics when they get into difficulty. Thirty-two percent of Czechs and 19 percent of Slovaks saw economic reform as the most important task at present while 19 percent of Czechs and 35 percent of Slovaks believed that fighting inflation was more important. As many as 87 percent of the respondents in the Czech Republic and 52 percent in the Slovak Republic preferred expert skills to play a greater part in filling important state posts than nationality.

An AISA representative stated that Czechoslovak public opinion on the Arrangement of Czech-Slovak relations and on the federation substantially differs from what is heard at the level of the republics' political leadership.

Commission Proposes New Administrative Division

LD2811203790 Prague CTK in English 1929 GMT 28 Nov 90

[Text] Brno Nov 28 (CTK)—A special commission of the Czech Government has come up with four possible schemes for a new administrative division of the Czech Republic, Czech Prime Minister Petr Pithart announced at a press conference here today.

The proposals range from a division of the present Czech Republic into between 15 and 30 regions, at one extreme, to a three-part Czechoslovak federation consisting of Czech, Moravian-Silesian and Slovak republics, at the other. The choice of an appropriate solution will be the subject of public discussion, Pithart said.

The division of the Czech lands (Bohemia and Moravia) into autonomous regions dates back to the Middle Ages. Formerly both Moravia (the central portion of present-day Czechoslovakia), and Silesia (located in the north, on the border with Poland) had their own administrative organs, which existed until Czechoslovakia was founded in 1918. In 1949, after the communist takoever, they were abolished and the Prague government assumed authority for the entire Czech Republic.

In the past year, calls for a new administrative division have been heard mainly from Moravia and are presently voiced by the Self-Government Democracy Movement-Society for Moravia and Silesia. Founded at the time of the revolution one year ago, this party received 10 per cent of the votes in the June parliamentary elections, giving them 16 seats in the 300-member federal parliament. In last weekend's local elections the movement, whose primary goal is autonomy for the more than 4 million inhabitants of Moravia and Silesia, received 2.6 per cent of the votes in Moravia and 12 per cent in Silesia.

Slovak National Council Announces New Elections

LD2811204290 Bratislava Domestic Service in Slovak 1830 GMT 28 Nov 90

[Text] The Presidium of the Slovak National Council has announced new elections in those towns and villages

where, for various reasons, they did not take place. They will be held on Saturday 19 January 1991. Today the Presidium also promulgated other laws passed at the eighth meeting of the Slovak parliament.

Moric Discusses Current Political Situation

AU2711175990 Bratislava NARODNA OBRODA in Slovak 24 Nov 90 p 13

[Reprint of SLOVENSKY DENNIK interview with Slovak National Party Chairman Vitazoslav Moric; place and date not given: "Johnny, Come and Join Us"]

[Text] [SLOVENSKY DENNIK] How would you characterize our current political scene?

[Moric] I would characterize it as very good in Slovakia, because a broad political spectrum making it possible to express opinions has been established here. The situation in Bohemia is worse in the sense that Civic Forum has acquired a monopolistic position. Such a monopoly is never beneficial to society.

[SLOVENSKY DENNIK] At its recent assembly the Christian Democratic Movement [KDH] also toyed with ideas and demands regarding Slovakia's sovereignty....

[Moric] It is necessary to say that the KDH criticized us for our opinions about the Slovak nation's rights. If such a "large" movement is turning to national issues today, then, this means that our orientation is justified.

[SLOVENSKY DENNIK] Do you not want to form a coalition with the KDH?

[Moric] So far, there are few of us; but you know what they say—there are few of us, few of us; Johnny, come and join us....

[SLOVENSKY DENNIK] Attributes are frequently applied to your party: fascists, nationalists, chauvinists, separatists....

[Moric] Today all sorts of people are massing under the Slovak National Party banner and I affirm that these are well paid people whose aim is to destabilize and discredit our party. We are struggling against Prague centralism which perpetrates the same evil against Czechs and Slovaks. I personally have nothing against Czechs. I have said several times that I consider them to be a competent nation; I also esteem Slovak Hungarians.

Press Comments on Bush's 24-Hour Visit

AU2311100690

[Editorial Report] Czech and Slovak newspapers on 19 and 20 November publish 400 to 800-word commentaries on U.S. President George Bush's 24-hour visit to Czechoslovakia on 17-18 November.

Prague MLADA FRONTA in Czech on 19 November on page 2 carries a 600-word Martin Komarek commentary entitled "America Will Not Redeem Us," which focuses on the economic aspect of the visit.

Komarek first responds to the "typically Czech skeptical view" that Bush came to Prague "with a full mouth and an empty pocket." He says that this argument betrays "miscomprehension of the purpose of U.S. aid" and explains why Czechoslovakia cannot realistically expect more U.S. aid than the "at first glance ridiculous sum of $60 million for our private entrepreneurs." He points out that the U.S. Congress now "keeps a close watch" on spending and that the United States prefers to invest in "strong" economies and in "recovery" rather than in "weak" economies and "long-term convalescence." Besides, President Bush is now "in the most difficult situation" of his career because his uncompromising attitude to the Iraqi aggression and the "protracted tug-of-war over the budget" cost him some support. Moreover, it needs to be realized that the formerly communist Europe "does not play first fiddle in Bush's global policy" and that Czechoslovakia was the last postcommunist country to embark upon the reform course and therefore trails behind Hungary and Poland.

Komarek continues: "Viewed from this angle, the support which President Bush promised to Czechoslovakia is probably the maximum that we can get from the United States. Even more important than money, which we will have to pay back anyway, is the U.S. President's evident interest in the political destinies of Czechoslovakia, Poland, and Hungary. It seems that leading circles in the United States realize the dangers resulting from the political and economic vacuum that has arisen in the heart of the old continent.

"At a time when there are still Soviet soldiers on our territory and when we are trying to head off economic and national collapse, President Bush greeted Czechs and Slovaks from his bullet-proof box (put up in Wenceslas Square) as victorious nations heading for freedom. We could interpret his message as follows: 'Do not rely on Uncle Sam's stuffed purse; do not think that you are the center of the world. You have already accomplished something; now do what you can. No one will bar you from doing anything, but no one will redeem you either.' Those who expected a 'historic visit' are inevitably disappointed. Those who expected a mere manifestation of solidarity are pleasantly surprised. The fine fabric which used to tie Czechoslovakia with its—for Czechoslovakia, unsuitable—partners is quickly disintegrating. A new fabric is now being woven, one which will apparently be more promising and beneficial."

Prague ZEMEDELSKE NOVINY in Czech on 19 November on page 4 carries a 500-word "W"-signed commentary entitled "The Community of Freedom and Us," which analyzes Bush's speech in the Federal Assembly. Although the commentator appreciates the "initiatives" which the President announced in Prague (such as the $60 million in U.S. aid to the private sector, the reopening of the U.S. consulate in Bratislava, the expansion of cultural exchange, and the support for

Prague as the site of the CSCE permanent secretariat), he regards as even more important Bush's idea that Czechoslovakia is an equal partner in the emerging "community of freedom." He says in this context: "To hear such words from the (highest) representative of the decisive world power is naturally pleasant, but it is also binding. There can be help and support among equal partners, but never charity and taking over of responsibility."

Prague HOSPODARSKE NOVINY in Czech on 20 November on page 2 carries a 400-word Marcela Doleckova commentary entitled "Are We Waiting for Handouts?" The author expresses the view that "once the euphoria about the visit dwindles away, many people will be disappointed because they probably expected the U.S. injection (of capital) to be more substantial" than the promised $60 million for Czechoslovakia's private sector. Moreover, even this aid, which requires approval by the U.S. Congress, may "come to nothing" due to internal developments in the United States (recession, budget problems) and a possible war in the Persian Gulf.

Nonetheless, Doleckova believes that the "economic impact of Bush's visit goes beyond the framework of the possible $60 million," in view of "Bush's promise of unequivocal and unconditional support in the IMF and the World Bank." She is also confident that, once Czechoslovakia successfully masters the transformation of its economy, there will be an intensive inflow of U.S. capital without any need for support from the Congress.

Prague PRACE in Czech on 20 November on page 3 carries a 500-word Michal Olbrich commentary entitled "Signals from Washington." Olbrich sees the significance of Bush's visit in the emphasis he placed on the need to preserve the federal state of Czechs and Slovaks. The "signal from Washington" was, according to Olbrich, that any other solution but a common state of Czechs and Slovaks would be "unacceptable for the West" and that "financial aid to Czechoslovakia is conditional on the country's stability." He observes that this message may "contribute to weakening nationalist and separatist forces" in the upcoming local elections.

Referring to Bush's speech at Wenceslas Square, Olbrich says that participants in the meeting "were offered palpable evidence that they have at last been admitted to the Western community of nations. Many of them, however, are surprised that this does not mean the automatic influx of dollars." Olbrich himself believes that the extension of most-favored-nation status is "far more significant" for Czechoslovakia than the promised "injection" of $60 million because the former could help triple mutual trade within two years. Czechoslovakia would also be helped, Olbrich continues, if the U.S. State Department canceled its recent decision to include the CSFR among "high-risk areas," in connection with "ethnic tension" in the country. Although this measure is designed to warn tourists, Olbrich thinks that it "undoubtedly deters foreign capital as well." He also views the U.S. State Department decision as "an occasion for our soul-searching."

Prague SVOBODNE SLOVO in Czech on 20 November on pages 1 and 2 carries a 600-word L. Tarantova commentary entitled "Taking the Path of Light." The commentator sees the significance of the visit in its political and moral dimension (rather than its economic dimension) as well as in its psychological impact. She says that the U.S. President's presence in Prague helped to "raise the spirits" of many people in Czechoslovakia, allowed them to "rise above" the "exhausting stress of everyday life," and "renewed and reinforced in them the social awareness and hopes" associated with the revolution of one year ago. According to Tarantova, the United States' respect and support for Czechoslovakia was proved by Bush's calling Prague "the heart of a new and united Europe" and giving it the right to "play a central role" within European security and cooperation.

Knazko Meets With Russian, Ukrainian Ministers

LD2811200890 Prague Domestic Service in Czech 1430 GMT 28 Nov 90

[Text] Slovak International Relations Minister Milan Knazko received Andrey Kozyrev and Anatoly Zlenko, foreign ministers of the Russian Federation and the Ukraine, in Bratislava today.

They informed each other about economic, political, and social processes and activities on the international arena. They highlighted their interests with regard to improving the quality of their mutual relations, in particular cooperation between individual enterprises and in agriculture.

Later they discussed specific forms of cooperation with Slovak Prime Minister Vladimir Meciar.

Calfa Views German Trade Issue, Upcoming Visit

LD2711165490 Hamburg DPA in German 1513 GMT 27 Nov 90

[Text] Prague (DPA)—Czechoslovakia wants to settle the problems of trade contracts concluded with the former GDR in an agreement with the Federal Republic. CSFR Prime Minister Marian Calfa said this in an interview with DPA today. Calfa will visit Germany this Thursday and Friday.

Trade contracts with the former GDR are a "sore point" for Prague because the commitments from these mainly economic cooperation contracts were hardly kept at all by the German side. "It is not possible to suspend old ties to the economy of the former GDR within one, two, or three years," Calfa said. A solution should be found in an agreement. The CSFR's links to the new federal leader must be taken account of in some form.

German companies also see in the CSFR the bridge to other East European markets and "the vast market of the Soviet Union." "Those looking for good prospects will find a good starting position with us. We are established there (in East Europe and the USSR), we have personal

contacts there." Thus the CSFR can provide a good service for firms wanting to do business in East Europe and the Soviet Union, the Czechoslovak head of government said.

Calfa stressed that German businessmen know the Czechoslovak mentality better than others. "Americans, French, Italians, and Spaniards find that the Germans have gotten there first."

Calfa Previews Upcoming Talks in Bonn

AU2811143390 Duesseldorf HANDELSBLATT in German 28 Nov 90 p 1

[Report by "EGL": "Calfa: Put an End to the Past"]

[Text] Prague—In the negotiations on the treaty on good neighborliness and cooperation between the CSFR and the FRG, CSFR Prime Minister Marian Calfa will discuss, among other things, Czechoslovak demands for reparation payments.

That was stated by the CSFR prime minister in an interview with HANDELSBLATT. Calfa was reacting to compensation claims made by the Sudeten German organization toward the CSFR. He said, however, that he is in agreement with Chancellor Helmut Kohl that reparations could only be discussed at government level.

The prime minister was also optimistic that in the treaty negotiations, both governments will reach agreement on their mutual compensation claims. Calfa said that it would be ideal to definitely put an end to the past.

The Prague chief of government, however, would like to see the problem of possible compensation payments settled in advance in separate talks—compensation payments for direct losses incurred by the CSFR as a result of the German monetary and economic union with the former GDR. Calfa will meet with Federal Chancellor Helmut Kohl on Thursday [29 November]. Before the Eastern Europe Committee of German Industry, Calfa will try to win German industry to make investments in the CSFR.

Havel Interviewed on Switzerland Talks, Elections

LD2311205190 Prague Television Service in Czech 1830 GMT 23 Nov 90

[Text] [Reporter] Your visit to Switzerland had several aspects—a political and cultural one and, as it was Switzerland, also a financial aspect. How do you assess the visit from these points of view?

[Havel] The visit was, as usual, very demanding. We visited a great number of various institutions and spoke with a number of various politicians. On the first day in Bern I held talks with Swiss President Koller. During our various talks we concentrated on several groups of subjects, and one of them indeed was a request for some kind of stop-gap loan from Swiss banks which we need very urgently for various reasons. Minister Klaus was in the delegation and he held talks specifically about this issue not only with the Swiss minister of economy but also with the heads of major banks. The prospects in this field seem to be hopeful. Of course, the main or only aim of the visit was not to borrow money.

We discussed a number of other issues and the visit was important also because, as you know, the headquarters of many international institutions are in Geneva. We visited the United Nations, the Red Cross, the CERN center [European Center for Nuclear Research], and all the contacts we established and agreements we achieved there are in my view very important for our republic.

[Reporter] Tomorrow is a very important day for our republic as it is the day of the municipal elections. I would like to ask you: Are you going to vote? Do you want to say something on the subject of the elections?

[Havel] Of course I am going to vote—as a citizen should. I firmly believe that the majority of my fellow citizens are going to vote. I think that their future everyday life in villages and towns very much depends on these elections—at least for the next four years. I firmly believe that everybody who is aware of this fact is going to vote and I firmly believe that he will vote for those most reasonable, energetic, and resourceful citizens of his town or village.

Havel Welcomes New Israeli Ambassador

LD2811015190 Prague Television in Czech 2109 GMT 27 Nov 90

[Text] President Vaclav Havel today received at Prague Castle Yo'el Sher, the new ambassador extraordinary and plenpotentiary of Israel to Czechoslovakia, who presented his credentials to Havel. Thus, after the establishment of diplomatic relations with Israel in the beginning of this year, this nation's embassy in the CSFR's capital has its highest representative.

Antall Plans Government Reshuffle 'Next Week'

LD2911084990 Budapest Domestic Service in Hungarian 0600 GMT 29 Nov 90

[Excerpt] The resignation of Finance Minister Ferenc Rabar, announced yesterday, further increased questions about the composition of the Hungarian Government.

The government changes will be made public by Prime Minister Jozsef Antall no later than next week, reports PESTI HIRLAP. The prime minister will not wait until the national conference of the two coalition parties because public opinion is now very much expecting the changes. This reportedly was said by Jozsef Antall personally yesterday, when he met the parliamentary faction of the Hungarian Democratic Forum MP's. [passage omitted]

Finance Minister on Submitted Resignation

LD2811223890 Budapest Domestic Service in Hungarian 1730 GMT 28 Nov 90

[Interview with Finance Minister Ferenc Rabar by unidentified reporter; place and date not given—live or recorded]

[Excerpts] [Reporter] So far, no one has talked openly about your leaving your ministerial chair.

[Rabar] I never did plan to retire, but I submitted my resignation to the prime minister as far back as 10 October, at a time when there was no question of forming a new government.

[Reporter] So that is why it was said, during the time of the three-day blockade, that, in fact, Ferenc Rabar had no authority to come to an agreement with the other side of the Interests Coordinating Council?

[Rabar] No, it was not for this reason, because the prime minister had not yet then attended to my submitted resignation; he could not because he was in hospital. I was working as a full member of the government during the time of the blockade, and tried to solve this question according to the best of my conscience. [passage omitted]

[Reporter] We have now come to the heart of the matter: Why did the Ministry of Finance come into conflict with the specialist experts at the Secretariat for Economic Policy at the prime minister's office?

[Rabar] The spheres of activities were probably not clearly defined. At the secretariat of the prime minister, counterproposals were consistently prepared at a time when the Ministry of Finance was submitting its proposals, and these counterproposals were the ones that were carried out.

[Reporter] Forgive me for a moment, you used this phrase "counterproposals" in the interview you gave to VILAGGAZDASAG as well. Is it not possible that these were alternatives?

[Rabar] No, these were variations which were prepared on the basis of the decisions made within government, and which were eventually presented to the public. For example, instead of the Ministry of Finance plan prepared by the middle of August, they prepared a program for national renewal, which was drawn up at the Secretariat for Debt Policy.

[Reporter] Had you imagined this or your portfolio very differently?

[Rabar] I had imagined it differently. I could list many such examples of plans which had already been worked out were dismissed, to be replaced by alternatives hastily prepared.

[Reporter] Everyone said the division of tasks was clear-cut and that at the moment of the formation of the government the tasks of the portfolios and government bodies were determined.

[Rabar] This was what I thought, too, that the Ministry of Finance had been declared the center of economic policy and that the instruments of economic policy were also in the hands of the Ministry of Finance. If we add to this the fact that I had also been entrusted with leading the economic cabinet, then I feel from the institutional point—from the point of regulations—my position was clear.

[Reporter] What obscured the situation?

[Rabar] The fact that the prime minister and others in the government were trying to achieve a full consensus.

[Reporter] It is difficult to try to achieve full consensus when it is a question of different funds for different portfolios, because everyone is affected personally according to their portfolios.

[Rabar] This, of course, soon became apparent.

[Reporter] Then I do not understand why the prime minister was trying to achieve consensus inside the government as well. Is that how he thought he could establish the unity of the government?

[Rabar] Decisions were eventually made by everyone on each individual question; everyone gave their views and, in general, decisions were made by voting.

[Reporter] Let us turn to daily events. The issue now is that, on the basis of the ideas of the Ministry of Finance or the ideas of the government, budget plans for next year must be placed before parliament. According to this, you represented the Ministry of Finance with a letter of resignation in your pocket at the government session?

[Rabar] A letter of resignation does not mean having been relieved of the post. Until I am relieved of my post, this is what I shall represent and this is how I shall take part in discussions. [passage omitted]

Justice Ministry Official on New Penal Code

AU2811162690 Budapest NEPSZABADSAG in Hungarian 27 Nov 90 pp 1, 7

[Interview with Karoly Bard, Justice Ministry deputy state secretarty, by Andras Sereg; place and date not given: "Not Only the Death Penalty Is Cruel"; first paragraph is NEPSZABADSAG introduction]

[Excerpts] The Hungarian National Assembly keeps legislating new laws, and it is not an exaggeration to say that our entire legal system is being reevaluated. In connection with laying the foundations of a constitutional state, however, little has been said so far about the future of the penal code and criminal procedures. We asked Karoly Bard about the government's relevant concepts and plans.

[Bard] The criteria of a constitutional state have been thoroughly simplified in Hungary in the past one or one and a half years. The prevailing concept is that all relations in society should be regulated by law—if possible, at the level of penal code norms. Besides, this endeavor also characterized the penal codes of the 19th century, because the legislators started from the premise that every human activity should be regulated. Something was always omitted from the code, of course, and this led to a situation in which the legal regulations were constantly increasing, but the sense of a shortage in adequate regulations did not decrease.

[Sereg] In this respect, the governments's current proposal for change is an exception, because it only adds one or two elements to the existing Penal Code, while the proposal also wants to eliminate the criminal aspect of several behavioral cases.

[Bard] This is indeed so. Although we are under great pressure, I think we must thoroughly consider the cases in which we want to use the Penal Code. One of these cases, for example, is the violation of a copyright.

[Sereg] What legal regulations have become obsolete?

[Bard] The draft mentions the norms that regulate currency violations. The essence of the proposal is that we list the various procedural attitudes in the law itself, and do not refer back to the currency regulations. The draft also deals with legal facts based on the principle of priority to public property. These things will be left out of the Penal Code. [passage omitted]

[Sereg] The abolition of the death penalty and its consequences have been in the public's center of interest in recent weeks. Many people think that this decision has led to the formation of a gap in our penal system, but there are also people who think that life imprisonment is at least as inhuman as the death penalty.

[Bard] Let us start from the premise that one can be sentenced to life imprisonment on the basis of a valid penal code. It is another matter that there are also means for conditional release in the case of life imprisonment too. As for the future, two different concepts confront each other. The essence of one of these concepts is that life imprisonment should really last until the death of the prisoner; in other words, the state should defend society from the most dangerous criminals once and for all. The other concept says that it would be a mistake to exclude the possibility of conditional release of criminals sentenced to life imprisonment. [passage omitted]

[Sereg] We would like to know some more details about the new Penal Code and the criminal procedure code. When will these laws be ready?

[Bard] I think that a framework for the new law on criminal procedure will emerge in the coming two years. Until then, we must examine some issues concerning compensations, the use of experts, and military criminal procedures. In connection with the Penal Code, all I can say is that its formulation cannot be expected within four to five years.

Independent Initiative Chairman on Future Tasks

AU2711134190 Budapest MAGYAR HIRLAP in Hungarian 23 Nov 90 pp 1, 2

[Interview with Karoly Toth, chairman of the Independent Hungarian Initiative, by Evelyn Forro in Dunaszerdahely; date not given: "Who Is Forming an Alliance With Whom?"; first paragraph is MAGYAR HIRLAP introduction]

[Text] The Independent Hungarian Initiative was formed a year ago, and on the occasion of its anniversary, a festive general assembly was held in Dunaszerdahely. We asked Karoly Toth to outline the movement's future plans and concepts.

[Toth] We would like to elaborate a political strategy which would determine the future of our movement in the long run. We aim to establish a minimal political consensus in Slovakia, as well as within the circle of Hungarian movements, of course.

[Forro] What do you mean by that?

[Toth] Since the founding of our movement a year ago, the conditions, possibilities, and different forms of political life have become apparent. We want to find our place in political life, and we would like to participate actively in the elaboration of policies, acting as partners with respect for one another. We believe that if it had been possible to establish a minimal consensus on the language-law issue between the extremist Slovak National Party and the coalition parties, then we would definitely have witnessed the birth of a better solution with a greater perspective. It is essential for us not to grab each other by the throat, but to try to find a few common points on which we could build future policies.

[Forro] What changes do you want to make, now that one year has passed since the founding of your movement?

[Toth] We want to make a lot of changes. First, we want to change the entire structure of the Independent Hungarian Initiative, something that we will discuss at our general assembly in January 1991.

[Forro] Local elections will be held in Czechoslovakia this weekend. Bearing in mind that several coalitions have been formed between the three Hungarian organizations in Czechoslovakia, what kind of tactics and strategy will the Independent Hungarian Initiative be adopting at these elections?

[Toth] Yes, the forming of coalitions is a very encouraging development. There are places where we are forming a coalition with the Coexistence Movement, and there are other places where we are forming a coalition with the Hungarian Christian Democrats; indeed, there are even places where the three of us support an independent candidate. It is always the local circumstances that determine the makeup of the various coalitions. At the same time, in the period before the elections, we would like to stress that it is not enough to present influential candidates merely at a local level. In the future, the role of political parties should also be important. Party politics also has to be present in the elaboration of local councils, otherwise local councils will escape from each others' control, which could be dangerous in the future.

Defense Official on Fate of Dismantled Missiles

AU2811091890 Budapest NEPSZABADSAG in Hungarian 24 Nov 90 pp 1, 4

["(B.G.Y.)" -signed interview with General Gyorgy Szentesi, leader of the Defense Ministry's Department for International Relations and Security Policy; place and date not given: "What Will Happen to the Dismantled Missiles?"; first paragraph is NEPSZABADSAG introduction]

[Text] Last week, the government decided to withdraw 107 Frog-7 missiles and 24 Scud-B missiles and their launch pads from the stockpiles of the Hungarian defense forces. We asked General Szentesi about the fate of these surface-to-surface missiles that are waiting to be dismantled.

[Szentesi] Hungary was the first country to decide that it would forsake these weapons, which have become superfluous for our country; indeed, a defense-type doctrine does not call for such obvious attack weapons. The existence of these weapons fits into the Warsaw Pact concept; however, in actual fact, the military organization of the Warsaw Pact already belongs to the past. I feel that the decision to scrap these missiles is an indication of things to come.

[NEPSZABADSAG] How will the scrapping take place, from a technical point of view?

[Szentesi] From an arms system point of view, it is the number of launch pads that is important. There were 18 launch pads for the shorter-range Frog-7 missiles, and nine launch pads for the Scud-B missiles. To make the arms system inoperable, we have to destroy these launch pads, as well as the missiles themselves. For both types of missiles, the launch pads have rubber wheels, they are self-propelled, and they carry different kinds of equipment. This launching equipment has to be dismantled, and the instruments have to be taken out. The mechanical apparatus will be smashed to pieces, but the instruments could perhaps be used in other areas. Then, we can begin destroying the missiles. The Frog-7 missile uses solid fuel (gunpowder) so, for its destruction, it has to be dismantled, burned, and exploded. The Scud-B missile, however, uses liquid fuel; in essence, it is an empty body, so it can be destroyed through simple, mechanical smashing—through the use of welders and hammers. This operation is not at all dangerous.

[NEPSZABADSAG] Could these weapons not be used in exercises, or in training?

[Szentesi] Given that we are withdrawing the entire missile system from our defense forces, and that we are also disbanding the corps that worked with missiles, there is no exercise in which these weapons could be used.

[NEPSZABADSAG] Did you ever consider selling the missiles?

[Szentesi] I can tell you in the most resolute fashion that we did not. That would also be forbidden by international treaties. Incidentally, it is interesting to note that Iraq also has Scud-B missiles at its disposal, which it used in the war against Iran—with traditional loads—but I would like to stress, once again, that there was never any question of a sale.

[NEPSZABADSAG] How could the Army's freed vehicles be used?

[Szentesi] Previously—in the case of SS-20 missiles—a carrying apparatus was used as chassis for cranes, and we will probably follow that example. These vehicles use a lot of fuel, which limits our possibilities. We could mainly make use of these vehicles in forestry, or in the building industry.

Secretary Discusses 'Sharp Debates' on Economy

LD2811141790 Budapest Domestic Service in Hungarian 1100 GMT 28 Nov 90

[Interview with Gyorgy Matolcsy, state secretary in the prime minister's office, by correspondent Agnes Papp on 28 November; place not given—recorded]

[Text] [Matolcsy] The sharp debates about economic policy have been continuing within the confines of the economic cabinet. The economic political secretariat expressed its contrary opinion about the budget and the economic policy submitted by the Finance Ministry,

since the latter continues to pursue a policy which restricts demand and wishes to maintain the present unjust tax system.

In contrast to this, we recommended a policy which better encourages supply, which makes use of tax concessions, and which approaches house financing in a new way. This, in our judgement, is more correct—better—and would lead the Hungarian economy more quickly to an upswing and a more open, more complete market economy.

[Papp] The finance minister formulated two things. One was that the plan worked out by the economic policy secretariat protects the Hungarian Democratic Forum [MDF], protects the MDF's security; the other was that you were not doing the work that had been assigned to you. You were interfering in the affairs of the finance minister, or rather, of the Finance Ministry.

[Matolcsi] Unfortunately, I cannot agree with either part since the opinion recommended by us and expounded at the economic cabinet was that it was not that we would have liked to put the MDF or the coalition of some other party into a better or a worse situation, but we would have liked to set the country—the economy—onto a faster market economy transition. At the same time, we were trying to protect better the middle strata, the middle class, and the poorer strata against the shocks that will take place next year at all levels.

I do not clearly understand the other accusation—that we interfered in the Finance Ministry's sphere of influence—because it was my duty as the secretary of the economic cabinet to express an opinion on the programs submitted by the Finance Ministry. If I have a contrasting opinion, and if I express this opinion—as I did—then I believe that I wanted this to help the finance minister try to find the best program.

Labor Affairs Ministry on Changing Wage Relations

AU2711122690 Budapest NEPSZABADSAG in Hungarian 22 Nov 90 pp 1, 5

[Attila Oszabo report: "Wage Relations Are Changing"]

[Text] An analysis recently elaborated by the Ministry of Labor Affairs shows, among other things, that differences have continued to grow between the wages of workers in the competitive sphere in the past few years. In this analysis, labor affairs experts examined the taxes paid by workers on the basis of their main employment. The analysis studied the growing differences in this area from several points of view. A significant restructuring process can be observed between different economic branches.

Among the income-based "front runners," foreign trade has progressed from third place to first place. In foreign trade companies, salaries are 5,000 to 6,000 forints higher than in service companies, for example. Mining is still better remunerated than most other branches, but its former income advantage—due to the lifting of so-called raised statuses—is dropping at breakneck speed. The other heavy industry branches—with the exception of the electricity industry and metallurgy—are able to guarantee salaries which are representative of the entire economy, with one or two divergences. In other words, toward the end of the 1980's, heavy industry lost the advantageous position it had enjoyed during previous decades.

Light industry is struggling against the current crisis, and, according to the analysis, its situation is alarming; indeed, the salaries of light industry workers have dropped sharply. Nowadays, the transport and media sectors have fallen behind by almost 10 percent. Despite benefits, it has proved impossible to develop salaries in the area of infrastructure along the same lines as other branches. At best, 1990 benefits could only prevent the further decrease of net salaries. The analysis shows that this, in itself, however, is not enough to solve all the problems.

In a classification according to economic methods, it was revealed that small companies generated the highest incomes. (These incomes are 15 percent above average.) On the other hand, the total income situation of traditional state cooperatives—primarily industrial and consumption cooperatives—has dropped by a significant 13 percent.

During the past three years, income proportions have moved to the advantage of academic workers, whereas people undertaking physical work have experienced a balance of proportions, in a way. The "losers" of the past few years are the middle strata, including skilled workers, subordinate academic workers, and direct production foremen. On the other hand, the salaries of company directors experienced a considerable and spectacular growth.

According to the conclusion of the analysis, differences in income could easily be a source of conflict. It is, therefore, indispensable to consolidate the harmonizing elements in Hungary's wage policy.

1989 Developments of Real Gross Average Incomes in Some Branches*

National Economy Branch	Per Capita Monthly Income in Forints	Income Ratio (National Economy Average 100)	Change Since 1986 in Percentage Points
Mining	15,746	144.4	-2.7
Electricity Industry	12,636	115.9	-1.6
Metallurgy	13,144	120.5	+9.5
Engineering Industry	10,536	96.6	-2.4
Building Materials Industry	10,208	93.6	-0.2
Chemical Industry	13,714	125.7	+10.2
Light Industry	8,793	80.6	-4.2

Other Industry	9,116	83.6	+0.8
Food Industry	11,076	101.5	+3.6
Total Industry	11,078	101.6	+0.1
Total Building Industry	12,287	112.7	+7.7
Transport, Post, and Telecommunications	10,205	93.6	-7.5
Domestic Trade	9,427	86.4	-0.7
Foreign Trade	19,727	180.9	+53.0

(On the basis of data from the Central Statistical Office)*

Trade Minister Optimistic on Trade With USSR

LD2711224290 Budapest Domestic Service in Hungarian 2100 GMT 27 Nov 90

[Gabor Izbekhi report from Moscow]

[Text] Industry and Trade Minster Peter Akos Bod, who met several Soviet ministers today, has spoken about the future of Hungarian-Soviet economic relations with some optimism. Gabor Izbekhi reports from Moscow;

[Izbekhi] As the minister said at his news conference held in the Hungarian Embassy, the Soviet Union has promised that, in accordance with the long-term agreements, it will deliver electricity and gas to our country in the given quantities.

It has just come to light that the ventures in Orenburg and Janburg will bear fruit because the gas delivery almost equals what we get for this work [as heard]. Above the delivery of one million tonnes of oil, we can only expect anything more if new agreements about new ventures are successfully reached, which could mean, for example, that in some Soviet region, crude oil will be processed with Hungarian cooperation.

The dollar prices due next year have not yet been discussed, but Moscow will still buy 8,000 to 10,000 Ikarus buses for mass transport and the minister did not deny that the Soviets have the chance to jointly carry out the privatization of Ikarus. The two parties have already signed a contract for the delivery of 1,000 buses.

Apart from the economic leaders of the republics, Peter Akos Bod will also meet the deputy prime minister of the Russian Government tomorrow, partly in the hope that perhaps this republic will be willing to buy some machines which are not on the central buying list.

On the whole, this ministerial visit is a good start in laying the foundations for new Soviet-Hungarian economic relations, said the minister; however, lengthy expert negotiations are necessary to get business moving.

Results of Joint Talks Noted

LD2811183290 Budapest Domestic Service in Hungarian 1700 GMT 28 Nov 90

[Text] Upon his arrival from Moscow, Industry and Commerce Minister Peter Akos Bod held a news briefing at the airport. Erno Kardos has details about the future of the recently worsened Hungarian-Soviet relationship.

[Begin Kardos recording] One thing is certain in the development of Hungarian-Soviet economic relations: Almost everything is uncertain. It is pleasing, however, that the unpleasant silence between the two countries could be broken by the Antall-Gorbachev meeting. Despite the large amount of conditional terms, it is felt that the Soviets seem to be ready to purchase Hungarian food products, medicine, buses and spares, clothes and shoes from the Hungarian industry, even for dollars. In exchange, we will receive oil, natural gas, and electricity. The bulk of the commercial deals, however, will have to be concluded not with the central government but with the republics, said Peter Akos Bod. It turned out that at the talks with the leader of the Russian Federation today, the two countries will be able to exchange a lot more products than those who signed the bilateral contracts earlier thought. They are planning cooperation in the joint research and development of the large oil sites, in exchange for oil, of course.

The managing director of Videoton, who was a member of the delegation, hinted that he is not so sure that many people will have to be dismissed, because his talks brought a revolutionary breakthrough.

The talks on defense industry maters and electronic issues were successful. No agreement has yet been made, however, on how we will receive the Soviet payments in dollars and how long it will take. It has not been agreed on either side whether the Soviets will deliver the oil agreed for this year for rubles or not. [end recording]

Interior Minister on USSR Refugee Problem

LD2711222490 Budapest Domestic Service in Hungarian 1432 GMT 27 Nov 90

[Question by Alliance of Free Democrats Deputy Dr. Tivadar Horvath and reply by Interior Minister Balazs Horvath in the National Assembly in Budapest—live]

[Text] [Dr. Tivadar Horvath] Mr. Chairman, esteemed house, esteemed Mr. Interior Minister. When following foreign politics, we are more frequently coming across the report that, beginning 1 January 1991, the Soviet Union will ensure its inhabitants the possibility of traveling abroad; this will be a right guaranteed to all citizens. This measure will be taken in the Soviet Union at a time when internal tension is still intensifying in the

country, when the food shortage is on an unprecedented scale, and when unpredictable social and political events may follow one after another. They might be working on introducing the reform plans already debated, but even then it will be impossible to improve—within a foreseeable amount of time—the standard of public supplies and social life.

According to international opinion, the opening of the border restrictions will touch off a mass exodus from the Soviet Union to neighboring and Western European countries. According to estimates within the Soviet Union, the number of those wishing to permanently leave the country, owing to the lack of prospects, might range from 100,000 to even 20 million.

The migration of people that might get under way in such masses would be unprecedented and would bring the most developed Western European countries face to face with an economic and social bankruptcy situation. Several of these countries, acting out of self-defense interests, are planning to implement measures well in advance.

As a neighbor of the Soviet Union, Hungary would be most directly affected by the flood of refugees, as a destination and transit station. We do not have to be great prophets to perceive that our economy and our society would break up if we are actually burdened with this.

My question to Interior Minister Horvath is whether preparations can be made to implement measures in the sphere of border traffic, policing the borders and aliens, or in re-regulating the conditions for entry and exit of citizens of the Soviet Union, whereby—while not violating international norms and the Geneva convention—you will be able to avert developments that are not desirable from the viewpoint of the country's interests?

Another related question is: How do you wish to handle the legal situation of the tens of thousands of foreign citizens of undetermined status who are staying in the country? I await Mr. Horvath's reply. Thank you for your attention.

[Balazs Horvath] Esteemed Mr. Chairman, esteemed Mr. Deputy, the final question was whether we were able to prepare ourselves. I believe that we are able to prepare ourselves. The Ministry of the Interior has been preparing, not just since the time we spoke in connection with this in the newspapers, but for a long time, to guarantee the country's stability and the citizens' stability regarding people fleeing to Hungary from the East for economic or political reasons. It was according to this—according to a precisely worked out plan—that the police action against aliens took place; in this manner, we wished to screen out the foreigners who were illegally staying in our country at the time. The reply to this, of course, was that we drew away the police force from elsewhere. We did not draw it away. This was the objective. This measure was part of this series of actions, or if you like, program of action.

It is necessary to decide the question of whether we should treat these people as economic or political refugees; this depends on the manner and form in which the Soviet Union's internal political situation develops. Obviously, the handling of the migration can take place in Hungary only on the basis of the rigorous rules of the various international agreements, the Geneva convention. The situation is entirely different if we are talking about economic refugees, and it is entirely different if we are talking about political refugees.

We shall handle the matter in the following manner: We consider this to be an all-European problem. That is why I held talks three weeks ago with the Polish minister of the interior. By the way, we spoke about this in the press. That is why I was in Prague one week ago and held talks with the Czechoslovak interior minister. The agreement with the Czechoslovak interior minister is as follows: I asked him—and this happened—to coordinate his position with the Polish interior minister this week, representing us as well; he, on the other hand, empowered me to represent the Czechoslovak natural interests along these lines at the meeting with the Austrian interior minister who will come to Hungary this week, and for us to work out a joint program. What does this joint program consist of? We wish, by all means, to sort out the internal legal regulations, which means that we wish to radically alter the employment possibilities regarding foreign moonlighting work, with the assistance of parliament—that is, you. We want a very considerable fine imposed on moonlighters. There will be an enormous number of other internal political legislative consequences of this; we have prepared these and they will go before the government and parliament virtually within weeks if law amendments are necessary. That is the aspect of the matter concerning internal regulations.

In connection with the border: A controversial issue is whether or not we should introduce compulsory visas for Soviet citizens. The current position of the Foreign Ministry is that the introduction of compulsory visas would not be justified, because we have all struggled for the possibility to travel freely. We wish to pass internal regulations, however, to replace compulsory visas, which would make it impossible for economic refugees to come over to Hungary under the guise of political refugees.

For this reason—and it is only at the phase of organization—the issue has arisen of our tightening the regulations concerning letters of invitation; we shall request incoming visitors to show a certain sum. Regarding the amount, the Czechoslovak position is that this could reach $1000 [as heard]. We, of course, do not want this. I have only mentioned this as a possibility. At the borders, we absolutely wish to screen those who wish to enter the country. I would like to emphasize that it will not be a electronic controls system, but we shall reinforce the green border, and this means that the border guard has already reinforced a frequented stretch of border with the Soviet Union which, if I remember correctly, is 172 km, about 150 km long. In the same manner, we wish to reinforce border controls from the aspect of border policing along the entire Croatian, Slovene,

Yugoslav border, where even if there is not an exodus, a mass escape—whether for economic or political reasons—cannot be ruled out. We, of course, are in a very difficult situation, and the treatment must be entirely different if it is a Hungarian from Subcarpathia, or if it is a person of Hungarian origin from the Bacska, Banat region.

We held talks in connection with this with the Polish interior minister, and we shall try to shape a joint position.

We shall strengthen the office for refugee affairs, in terms of staff numbers, and the facilities available in refugee camps. This is a budget matter. In this regard, we are holding talks with the [word indistinct], with the (?assets) agency, and with the Ministry of Defense, so that we may obtain in the Alfoeld [plain] a few large premises where we could accommodate the refugees.

To be straightforward, by amending the internal and external legal regulations and by strengthening the office for refugee affairs, we shall attempt to prevent such a situation. We are careful about one thing: We should not allow our possible buffer zone [puffer terep] to be bought with money or large-scale Western assistance. The government does not wish this, and I imagine parliament does not want to take this on, either. Excuse me for taking advantage of your patience. Thank you.

Third Joint EEC Session Held in Budapest 27 Nov

Trade Relations Discussed

LD2811114690 Budapest MTI in English 1048 GMT 28 Nov 90

[Text] Budapest, November 27 [date as received] (MTI)—The third EEC-Hungary joint committee session ended in Budapest on Tuesday [27 November]. The delegation of the European Economic Community (EEC) was led by Pablo Benavides, director in the Directorate-General for External Relations of the Commission of the European Communities, and the Hungarian one by Endre Juhasz, deputy state secretary of international economic relations.

The talks focussed on economic relations between Hungary and the EEC, and the external economic conditions hindering the change in regime in Hungary. The Hungarian delegation reaffirmed the intention of the Hungarian Government to make every effort to maintain the country's solvency and continue to service the debts of the country, even if the collapse of intra-CMEA trade and the increase in oil-prices due to the gulf crisis put Hungary into a difficult situation. The Hungarian Government will request the Group of 24 to provide assistance to these efforts in the form of special credits and the creation of a stabilization fund. The Commission of the European Communities was invited by the Hungarian delegation to play an active role in coordinating this assistance. The EEC delegation indicated that issues of energy and facilities for bridging the likely financial gap shall be considered by the Group of 24 during their next meetings. It indicated also that the modalities of the early disbursement of the remaining tranches of the EEC medium term loan to Hungary will be finalised in the near future. Both delegations expressed satisfaction concerning the implementation of the Phare programme.

Regarding recent developments in bilateral trade, the two delegations noted with satisfaction the significant shift in the foreign trade pattern of Hungary in 1990, as a result of which the Community has become the largest trading partner of Hungary, representing over 36 percent in its exports and over 37 percent in its imports. It was noted that the measures taken by the community in 1990 to improve access of Hungarian products to the EC market had a favourable impact on the recorded significant increase in trade. The delegation of the EEC confirmed that the measures taken in 1991 as regards the GSP [expansion unknown] benefits and the suspension of non-specific quantitative restrictions shall be maintained in 1991.

The two sides have decided to set up sub-committees for transport and for customs cooperation, and established a sub-committee on science and technology.

The two delegations have agreed to draw up a work programme of the joint committee for 1991.

They also expressed satisfaction over the conclusion of the exploratory discussions in relation to the future association agreement between Hungary and the EC and expressed their expectation to start negotiations in the very near future.

It was agreed that the next joint committee session would be held at the end of 1991.

Meetings End; Agreement Reached

LD2811230690 Budapest Domestic Service in Hungarian 2100 GMT 28 Nov 90

[Interview with Endre Juhasz, department head at the Ministry of International Economic Relations, by Agnes Pap; place and date not given—recorded]

[Text] The two days of meetings between the EEC and the Hungarian Government finished yesterday. A joint communique was issued.

[Juhasz] In the near future we will begin negotiations between Hungary and the EEC about the treaty of association. Based on this, Hungary will become an associate member beginning 1 January 1992. This means significant progress; in fact, it will create a free market zone between Hungary and the Common Market. The financial assistance to Hungary will become formalized. Furthermore, in the agriculture sector we want to receive some very important preferences which we can not yet obtain on the basis of the 1988 agreement.

[Pap] Will the EEC assist with financial or other means to improve the 1991 balance of payments?

[Juhasz] There is no question of them undertaking this now. I feel the EEC and the committee have reached the stage of recognizing that Hungary needs assistance, and they are ready to offer help. It is the Community which created a special loan fund for Hungary on the order of $870 million

[Pap] Does this mean nearly $1 billion?

[Juhasz] We will be taking up the second part of this in the near future. I would like to stress that this alone will not be able to solve the difficulties of 1991. We will need additional sources. In reality, even the Hungarian Government have not yet decided exactly in what form this help should be requested.

Antall's EEC Adviser on Joint EEC Relations

AU2811152090 Budapest NEPSZABADSAG in Hungarian 27 Nov 90 p 6

[Interview with Gyorgy O'svath, leader of the EEC general directorate for industrial affairs and the internal market, by Laszlo Mecs in Brussels, in November: "We Have To Expect Four or Five Meager Years"; first paragraph is NEPSZABADSAG introduction]

[Excerpts] It is quite unusual for the prime minister of a country to have personal foreign advisers; Prime Minister Jozsef Antall has two. One of them is the 58-year-old German citizen Gyorgy O'svath, who has been a high-ranking EEC official in Brussels since 1982. Our Brussels correspondent interviewed Mr. O'svath. [passage omitted]

[Mecs] How do you reconcile your post within the EEC administration with your role as adviser to the Hungarian prime minister?

[O'svath] Several officials of the EEC Commission work as advisers to the governments of countries which are associated with the EEC. This combined status is, therefore, rather common. Furthermore, to respect incompatible viewpoints, questions concerning relations between the EEC and Hungary are beyond my sphere of authority as an adviser.

[Mecs] Nevertheless, you probably follow developments quite closely. There is much talk in Budapest about Hungary's relations with the EEC. Mrs. Thatcher recently said that "the important thing about joining is choosing the appropriate time to join." Several opinions have been voiced about the right time for Hungary's accession to the EEC. Being in the very midst of it all, how do you view this issue?

[O'svath] During his visit to Brussels in June 1990, Prime Minister Antall said that the Hungarian Government wished to begin negotiations on a treaty of association this year, so that Hungary would have the possibility of becoming an associate member of the EEC as of 1 January 1992. Antall also announced that Hungary would like to be a candidate member of the EEC as of 1995. This means that Budapest could suggest initial negotiations—or even effective negotiations—prior to 1995, and these negotiations could lead to Hungary becoming a full member of the EEC by 1995 at the earliest, and at the very latest by the year 2000. Incidentally, negotiations between the EEC and candidate member-states usually take a long time. Spain, for example, had to wait for eight years! Through the association treaty, however, Hungary would come closer to its aim, because the duration of accession negotiations could be shortened considerably. [passage omitted]

[Mecs] Is there anything new in Hungarian-EEC relations?

[O'svath] On 6 November 1990, Hungary became the first Eastern European country to join the Council of Europe. This is a significant change which will have a positive effect on future relations between the EEC and Hungary. Hungary's advantageous situation was helped considerably by Jozsef Antall's repeated statements that Hungary's first and most important foreign policy task was to join the EEC. [passage omitted]

[Mecs] In your opinion, how many meager years should Hungary expect, and what could we hope for thereafter?

[O'svath] We have to be aware of the fact that Hungary's present situation is very serious, particularly because the change of regime—as in all the other Central and Eastern European countries—implies that the economic structure of the entire country has to be changed, market economy mechanisms have to be modernized, Hungary's market economy has to be integrated into international economic activities, and loss-making industrial branches have to be closed down. These measures in themselves assign an enormous amount of work to the government and to the political leadership of the country, including the leaders of the opposition parties. The crisis that has developed in the [Persian] Gulf region only makes our situation more difficult. Fuel prices have risen considerably, and we cannot expect any significant decrease in prices. To all this we have to add the fodder shortages caused by the drought, which can only be replaced through imports. In our foreign trade with our Eastern European partners, we have to convert from ruble accounts to a convertible currency system. In other words, there are enough problems, and these problems burden the state budget by several billion forints.

That is precisely why solving the economic crisis requires the understanding, solidarity, and joint efforts of all Hungarians—government and opposition supporters alike.

According to factual estimates, the benefits of the introduced reforms will already make themselves felt during the second half of 1992. The Hungarian economy is capable of development. For example, for the first time in 10 years, the trade balance of the first six months of 1990 boasted a surplus of more than $550 million.

When will real welfare set in? In my opinion, it will take four or five years before Hungary can count itself as one of the countries that has reached the living standards that currently constitute the average among EEC member states. No Central or Eastern European country could expect a shorter delay than that, not even the eastern part of Germany.

Ministry Official Explains Interest in FRG Arms

LD2811113890 Budapest MTI in English 1040 GMT 28 Nov 90

[Text] Budapest, November 27 (MTI)—According to German press releases, Hungary is showing a keen interest in the weapons of the dissolved East German Army. An MTI staff member asked Colonel Gyorgy Keleti, spokesman for the Hungarian Ministry of Defence, if the news was correct and what lay behind it.

Colonel Keleti recalled that the Hungarian Army had made it clear even before the reunification of Germany that it had an interest in some of the weapons and technical equipment of the GDR Army. Germany was expected to maintain a smaller army based on the western technology of Bundeswehr. It followed that the majority of the more modern weapons of the GDR Army became obsolete and attracted the interest of several countries including Hungary. The Paris agreement, signed in the meantime, set lower limits for the German Army than its actual arsenal so it dispense with some of its arms in any case.

Our interest is justified by the fact that the Hungarian Army, in an effort to become a smaller but more modern armed force, seeks to replace its obsolete technology with a kind that is more compatible with current arms systems, Keleti said. Of course, the limits imposed on the Hungarian Army in Paris will also be considered. No agreements have yet been reached on the purchase of the said weapons.

In conclusion, the spokesman said that the current visit to Germany by Lieutenant General Kalman Lorincz, commander of the Hungarian Army, had no connection with Hungary's interest in these weapons. The news carried to this effect by the German press is nothing more than unfounded speculation, Keleti said. Lorincz's trip, which was announced in public, forms part of the process of intensifying relations between the two armies and that of security and confidence-building in Europe.

Presidential Campaign Radio, TV Time Detailed

LD2811222190 Warsaw PAP in English 2116 GMT 28 Nov 90

[Text] Warsaw, Nov. 28—The resolution of the State Electoral Committee on the principles of free access of the presidential candidates to the state radio and TV is binding also before the second round of the election.

The resolution says that in the case of a second election round the candidates may freely use broadcasting time of: one hour in two TV programmes and 1.5 hours in four radio programmes. The access to TV was made possible 24 hours after the announcement of voting results.

Like before the first electoral round, the campaign in TV and radio must end 36 hours before the voting day, that is, on December 7, at 12.00.

Lech Walesa won the toss and he began his TV programmes today, while Stanislaw Tyminski begins his radio programmes on Friday.

Walesa Refuses Comment on Mazowiecki Talks

LD2811203190 Warsaw Domestic Service in Polish 1800 GMT 28 Nov 90

[Telephone interview with Lech Walesa by reporter Monika Olejnik on 28 November—recorded]

[Text] [Olejnik] Did you speak to Prime Minister Mazowiecki today?

[Walesa] Yes madam, I did.

[Olejnik] What are the results of the talks?

[Walesa] Oh no madam, we will not be discussing this subject. There has been no statement, so I have no right. I can, however, say something else. I have spoken not only to the prime minister, but also to Professor Geremek, Mr. Turowicz, and to others because I want, after all, to be the president of all Poles. I want to find possibilities for cooperation with everyone who has the good of Poland as his main aim. I want to [word indistinct] place and possibility for cooperation and that is why I will be making numerous moves of this type, for this precisely to happen.

[Olejnik] Is part of your electorate offended that you did not thank them for voting for you?

[Walesa] Of course I wanted to say that many people voted for me, that many people worked hard during this whole campaign and the first round. Lech Walesa sincerely thanks all those who gave everything of themselves, who are participating in my successes and in (?this) success, and apologize that he could not convey this apology earlier. I will do better next time and I will always take into account the things that I should.

[Olejnik] [Words indistinct] regarding Mr. Najder that it is possible he will become prime minister if you become president?

[Walesa] No madam, I am sorry. Let me explain. This was some sort of mistake or someone's wish. My concept does not take Mr. Najder as prime minister into account.

[Olejnik] Who do you take into account?

[Walesa] Well, madam, you are asking too much.

[Olejnik] Alright. Thank you for the interview.

[Walesa] Thank you.

Walesa Interviewed on Future Economic Situation

AU2311145190 Hamburg DIE WELT in German 23 Nov 90 p 10

[Interview with Polish presidential candidate Lech Walesa by Ulrich Schmidla in Wroclaw; date not given: "Lech Walesa: I Predict a Big Struggle"]

[Text] [Schmidla] Poland has come closer to many Germans because of German unification on 3 October. How do you assess the further development in relations between the two peoples? As promising?

[Walesa] Whether we want it or not, all of us here on this continent of Europe depend on each other. We just have to take care that the further development takes place in a balanced way, anything else might entail dangers. Because of our experiences, we come to the conclusion that one has to think of Europe as a whole. This is possible if there are comparable social, economic, and political conditions. However, if one country has a big lead, there will always be unrest and complications.

Again: If we want to live calmly and securely, we should try to arrive at a balanced development—economically, socially, and politically.

[Schmidla] You are running for the highest state office in Poland. What expectations would be fulfilled by President Walesa? What would the Germans have to expect from him?

[Walesa] I will strive to balance the differing standards of living so that the development serves both sides. As I said before, we depend on each other. One has to move in this direction so that all obstacles are eliminated and the borders may be opened without danger. This will be good for our minorities, both for the Polish minority in Germany and for the German minority in Poland. There will be no problems, when the border exists only on the map. This is possible only if the differences are balanced.

[Schmidla] Does it hurt you that the FRG Government in Bonn openly helped your strongest rival, Mazowiecki, in his election campaign by signing the border treaty before 25 November?

[Walesa] No, this is a matter that goes beyond parties. That stands above the conflicts. One has to see the scope and the importance of the matter. The prime minister has been delegated by me, thus I also participate in this process. In foreign policy we have a very similar attitude. There are hardly any differences, and there are none at all concerning the issue you are mentioning. In domestic policy we have the differences in opinion that you know.

[Schmidla] With the border treaty Germany has renounced claims to Polish territory, and the Poles want to live with the Germans in peace. Nevertheless, your country refuses to sell the Germans even a little piece of land, be it for a vacation home or for a production site. Does it, therefore, surprise you that economic cooperation does not get off a good start?

[Walesa] We have quite a number of problems of this kind, not only with the Germans. Our reforms do not make progress in general. There are still no private owners. The majority of the companies is still in the hands of the state. The communist system has left much incompetence to us. This is also the reason for this fear that Polish property is being sold, practically for nothing, precisely because of this incompetence. We must achieve privatization more quickly. Then the new owners may decide. They are responsible then. As long as there is no real ownership, these fears will continue to exist.

I have proposed and I continue to propose that, as long as there is no ownership, not more than 49 percent of them are sold to foreigners. Later on, this may be changed. Today I am afraid of these postcommunist directors—that they simply sell us out.

[Schmidla] What do you mean by 49 percent—shares of a company or also 49 percent of a farm house?

[Walesa] Everything. The 49 percent refers both to agricultural enterprises and to joint ventures. Everything is included in this figure. In the future, when there is a specific owner, we will lift this limit. I am afraid that one day history might curse those who are making decisions today because their actions were wrong.

[Schmidla] Poland has debts amounting to more than $40 billion. You, however, want to distribute the state property to the population. Everyone is to receive 100 million zloty, in shares or share certificates. Do you want to make the state bankrupt? How are the debts to be paid?

[Walesa] You have wrong information, information from my opponents. I am looking for a solution that accelerates the process of privatization. I have to return the enterprises and houses which belong to no one to society in some way. I have, however, a poor society. I do not know how this can be done in moral terms. Therefore, I propose some sort of loan, but not in the form of money—because this would destroy the market—but only in the form of share certificates for which one can buy hotels, houses, and real estate. In particular for the young people who flee from our country and who are unwanted in yours. If one were to give interest-free share certificates to the young people they would make good businesses out of many empty houses, hotels, and stadiums. They need not flee to other countries.

Of course, I do not know exactly how this can be done. Perhaps 100 million zloty are too little. Some propose 200 million. This would have to be returned later; it is only a loan. I do not want any interest, I want to get back dollars in 20 years, at today's value of the dollar. Anyone who wants to do so may participate in this, but he has to pay the loan back later.

Of course, I cannot distribute money. On the other hand, I cannot ask the people to give me money for the houses, because then they would not have any left for investments. I want to have a certain percentage of their turnover. The buildings are empty anyway; this does not benefit us. I also do not have any means to renovate them. If there is an owner, he will take care of the buildings. I only want to levy taxes. Thus, I get revenues in two ways: first, because the owner must pay me money back, while I only give him a simple piece of paper, and, second, because the house is empty at the moment and does not yield any profit, but the new owner will make profit. The whole thing is well-founded, is it not?

[Schmidla] The profit is then to be used to pay part of the foreign debts?

[Walesa] This is correct. If we can afford it, it will not be much. The new owner may then also conclude contracts with Germans or others, and he also may sell his property. Today I cannot do this as the state. I do not know exactly how this can be done, and I am afraid. Therefore, my plan is good. Of course, it must still be refined. Precautions must be taken so that, if someone does not manage to fulfill his task, his property is not lost. Thus, one would have to check every year whether the property yields any profit.

[Schmidla] Most workers in Poland do not want to become company bosses. They simply want to work and get an appropriate salary. With their low incomes they have kept quiet for a year, but now strikes are in the offing in many important economic fields. One gets the impression that the workers are taking to the streets for Lech Walesa and want to drive Prime Minister Mazowiecki from office by strikes. Is there a strategy behind this?

[Walesa] I am against strikes. I also predicted them eight months ago, and I warned against them. Therefore, I also speak of an acceleration. In the past I "extinguished" some strikes. The prime minister himself reproached me for ending the strikes. He criticized me for interfering, saying that I want to get political profit from it. Thus, I no longer interfere in these strikes. However, this does not change anything concerning the fact that I am against strikes. I understand their reasons, I ask the workers not to increase the losses incurred because of the strikes, but to think of something else. But I will not deliberately

support them. I myself will not participate in the strikes, either, because then it would be said that I want to acquire a forum.

[Schmidla] As president, would you again "extinguish" strikes?

[Walesa] I understand the society. I can do it, I can provide the arguments. I am convinced that we will come to an understanding.

Once again back to the workers, who do not want to privatize but only want to work in their enterprises. There are, above all, two problems: first the postcommunist sickness and second the lack of money. The latter is the main reason for the lack of interest. One has to approach this process carefully, then there will also be the chance that the interest might increase.

[Schmidla] Many Poles, but also foreigners living here, are concerned about increasing criminality. Numerous burglaries in houses, apartments, and cars occur in broad daylight. People are afraid of going out when it is dark. How do you want to deal with this internal danger?

[Walesa] As far as criminality is concerned, we will soon catch up with the West. This is indeed disquieting. Criminality in organized gangs was imported from the West before the reforms were initiated. Therefore, we must try to find solutions. I expect support from the whole society here. Jobs must be created for unemployed people. Of course, this must be prepared well and in a professional manner. We must arm ourselves in a better way, both concerning personnel and equipment. The security forces must be strengthened so that they are able to ensure order. The state should be protected. We want a state based on the rule of law.

[Schmidla] In Lodz you mentioned five concepts for a possible future government headed by Walesa. Thus, you also consider it possible that Mazowiecki will remain prime minister, despite the fact that he announced that he will go "into constructive opposition" in case he is defeated. So, are your concepts unrealistic?

[Walesa] I have never been Mazowiecki's opponent. I asked him to proceed further on a common path with me. I think that cooperation would be possible, under certain conditions and with mutual respect. I do not rule out such a possibility.

[Schmidla] Can you imagine a President Walesa and a Prime Minister Balcerowicz, the author of the radical economic program and an advocate of the free market economy?

[Walesa] Of course, I can. I would like to maintain this direction, maybe improve it a little—to arrive at a Polish way.

[Schmidla] You have distanced yourself clearly from resurging anti-Semitism in Poland. Still, I would like to ask you whether you think about the consequences if, during the election campaign, you make statements like the following: I am a genuine Pole. I am 100-percent Polish.

[Walesa] I stated this in a different context. I was accused of being a Jew, or rather, I had the honor of being called a Jew. Today the star of David was again to be seen on the election posters. However, it is not true. I cannot accept this honor. I am Polish, 100-percent Polish. If I were a Jew, I would state this with the same pride.

My statements have been placed in a different context. My opponents, who cannot defeat me with arguments, know that anti-Semitism is not highly regarded in the world. They want to depict me as an anti-Semite. Thus, I suggest reversing this process. They should prove that I am an anti-Semite. This means that I am not proving that I am not an anti-Semite, but they should prove that I am an anti-Semite.

[Schmidla] The tone has become increasingly intransigent in the course of the election campaign. What political opponent has hurt and offended you most? Was it the communists or, more recently, your former fellow strugglers?

[Walesa] I have not really been hurt so far. I usually laugh about their statements, sometimes more and sometimes less. However, I do not take things so seriously that I would spend a lot of time thinking about them or that I would be scared.

[Schmidla] Does this mean that you do not take anything to heart?

[Walesa] No, because I believe that life is a big crossword puzzle. The more I solve, the more content I am. Others like to go swimming and think that they will be happier if they cover a certain distance. My philosophy is to solve as many crossword puzzles as possible. Some of my opponents—as you call them—and sometimes even friends are such crossword puzzles.

[Schmidla] Fears have been expressed recently that a presidency of Lech Walesa might end in a dictatorship. Can such a development be ruled out?

[Walesa] You may rest assured that I will rule in a democratic—and honest— manner. People sometimes believe that I would rule in a dictatorial way because I say two plus two equals four whereas there are people—even more educated people—who say two plus two equals five. Finally, two plus two turns out to equal four. These people consider this a dictatorship.

[Schmidla] During election rallies, young people repeatedly accused you of betraying the ideas of "Solidarity." What do you tell them?

[Walesa] If there had not been a Walesa and if he had not done the things he did, they would not dare to move today, or the Zomo (citizens' militia, used by the communists against demonstrators—the editors) would beat them up. They are making use of freedom, and this is

good. However, these people must know that they are a small group, that there is room for them in pluralism, that Poland belongs to all Poles, and that we must all show consideration for each other.

[Schmidla] What will "Solidarity" leader Walesa do if he loses the presidential elections? You have announced that you want to step down as chairman of "Solidarity" in such a case. Will you withdraw from public life? Is this conceivable in view of the big problems that the country is facing?

[Walesa] At this point it seems unlikely that I will be defeated. However, everything is possible. Churchill won the war but lost the elections. For this reason, I cannot rule out a defeat. However, I reaffirm that in such a case there will be no room for me in "Solidarity," because people would be against me. I foresee great unrest; there will be a big struggle because the reforms will fail. Despite the good preconditions, they will not be successful. Then people would accuse me of trying to take revenge, of trying to deliberately obstruct the reforms. If I prevented strikes, the workers would accuse me of standing in their way, of seeking an even larger defeat of the government, and of trying to gain time. Thus, there would be no place for me in the trade union under such conditions.

[Schmidla] Do you see yourself at the head of a party in opposition, as the chairman of the "Center Accord," for example, which considers itself to be a center-right group, in case you are defeated by Mazowiecki?

[Walesa] No, because I would topple the government within a short period. If I fought, I could topple it at any moment. I could fan the strikes. However, I cannot do that because my home country is at stake. I do not want to be a cause for unrest. There are many other reasons that might lead to unrest. This is my drama.

[Schmidla] Let me ask you once more: If you lose the presidential elections, will you withdraw from public life?

[Walesa] Yes, I will. However, I have received a Nobel prize, which means that I have an obligation to the world. I can hold negotiations, and there are still a few things for me to do in the international arena. Then I would have to dedicate myself to another job. I would have to do something, in other spheres.

[Schmidla] This gives the impression that "Solidarity" meant a great deal to Lech Walesa, but that this era will come to an end on 25 November or 9 December. Will this trade union not be reduced to meaninglessness, if one takes into consideration that the number of its members has dropped from 10 million in 1980 to less than 2 million today? The former communist OPZZ [National Trade Union Confederation] has nearly 5 million members.

[Walesa] One cannot assess its strength in this way. Let us go back to the year 1980: We had so many members, but we still had to accept the stipulation of the leading role of the Communist Party in our statute. In 1981 many of us were interned. However, now that the number of "Solidarity" members is much smaller, we forced the party to dissolve itself. We are practically taking over power. Thus, strength must be determined in a different way. The number of members is not the only criterion for success. We are stronger today, but we hold different positions. A member of "Solidarity" is prime minister today, and soon we will have a "Solidarity" president as well. Thus, the whole government will be in our hands. This is a different kind of strength.

Of course, we could declare the number of members the guiding principle. As the one who initiated the reforms, I carefully considered what is better. I think that such a great strength is not good for the reforms. In view of the lack of pluralism, and in this difficult economic situation, it would be difficult to retain this strength. Thus, we decided not to focus on the number of members but on the concept that has proven successful in reforms. One cannot kill a fly that sits on a wall with a 20-kg hammer, because one would destroy the wall as well. It is hard to conceive what would happen if the fly sat on the forehead of a human being.

[Schmidla] Does the trade union chairman want to make a proposal concerning his successor?

[Walesa] I do not want to make a proposal because I do not want to interfere in a democratic process. A proposal from my side would not necessarily be helpful. Many people would say that the state president should not choose a trade union chairman of his liking and would therefore vote for another candidate. There must be real democracy.

Mazowiecki Discusses Presidency, Walesa

AU2511183890 Warsaw POLITYKA in Polish 24 Nov 90 p 3

[Interview with Polish Prime Minister Tadeusz Mazowiecki by Marian Turski; place and date not given: "How I Differ From Lech Walesa"]

[Excerpts] [Turski] I am sure that you are aware that you are known as Tad the sad. Is it difficult for you to transform yourself from being Tad the sad into Tad the glad when you are campaigning?

[Mazowiecki] I cannot feign a smile. Of course, I have no difficulty smiling, but only when it comes naturally and spontaneously. [passage omitted]

[Turski] If you win, how do you intend to behave toward the losing camp?

[Mazowiecki] I have always believed and continue to believe that Poland can only pass through this politically and economically difficult if we pool our efforts. Some kind of consensus between the governing camp and the nascent opposition on key issues is essential for Poland. I believe that on the other side—and I am thinking of the

Center Accord above all—there are many who are well aware of how grave the economic situation is and frequently their proposals are not at variance with what we are seeking to achieve. Unfortunately, that camp employs two forms of language: the populist language used at mass rallies and a different language for press discussions. There is a glaring contrast! How do they think that the demands that they have fanned during the election campaign can be realized? One cannot forget about responsibility for the state at rallies. By calling into question a course that my opponents know to be the only possible and sensible way, they are arousing expectations that will then be very difficult to fulfill....

To return to your question: Yes, I do intend to work out some agreement with my opponents on key issues if possible.

[Turski] How do you think that side would react if it loses?

[Mazowiecki] It is not homogeneous. Its various parts will react differently, but I think that at least some will understand my intentions and cooperate.

[Turski] Do you think Walesa will be more dangerous if he wins or if he loses?

[Mazowiecki] I would express the problem in different terms. Polish democracy is going to face a great test: Will whoever loses the presidential election be able to behave in accordance with democratic principles? The principles of democracy dictate that one should submit oneself to the will of the people as it is expressed in elections; one should accept the electorate's decision, not undermine it; and go into opposition if one loses. There can be no question of organizing extra-parliamentary pressure, of mobilizing the "street." [passage omitted]

[Turski] What dangers do you see Poland and society being exposed to if you win and if you lose?

[Mazowiecki] Seeing things in terms of personalities goes against my nature, so I will take the liberty of answering your question in a very indirect way. What is of crucial importance is whether Poland will choose the path to a modern, open democracy, or whether it will go down a path leading to a certain degree of chaos and to shutting itself off from the rest of the world. Democracy is something that is based on what I would call checks and balances. Mutual checks and balances with respect to the various arms of government in the democratic state—the legislative, executive, and judicial, as well between various social forces, political structures, and public opinion; the interplay between them and the way in which they balance each other out—is the fundamental question in democracy. There can no be substitute for that complex structure in the form of the activities of one man who would make decisions, defuse discontent, and intervene.... That is the fundamental difference between myself and Lech Walesa.

I full acknowledge the service that he has performed for "Solidarity," for Poland (although, unfortunately, he does not reciprocate by acknowledging the services performed by his colleagues; at a clandestine "Solidarity" meeting, I once said that there is no "Solidarity" without Walesa, but there is also no Walesa without "Solidarity"). The concept of a leader who is above all forms of control cannot be reconciled with modern democracy, in which checks and balances perform a fundamental role. That is the fundamental difference between us! It is like the question of whether we should carry on along this same difficult, but unavoidable road, or whether we should constantly move in a zigzag fashions from left to right while promising that everything can be easily and simply solved. Consistency matters in domestic and foreign policy. I fear chaos, if consistency is replaced by charisma and blind faith in the instincts of a leader who can promise everything and will then replace those who are responsible for fulfilling the promises as if they were "automobile bumpers."

[Turski] Do you think that there is a danger of Poland becoming unstable if you lose?

[Mazowiecki] I am afraid of there being chaos. For several months now, we have seen various people in the West express concern about the situation in Poland and there has been a decline in their interest and commitment. [passage omitted]

Mazowiecki Enumerates Issues of National Importance

LD2111145390 Warsaw Domestic Service in Polish 0625 GMT 21 Nov 90

[Remarks by Polish Prime Minister Tadeusz Mazowiecki; place and date not given; from the "Election Studio" program—recorded]

[Text] Poland can play an important role when it is a country enjoying stability, if democracy in Poland continues. On the other hand, if it is going to be a chaotic, unpredictable country, then I think that such a situation may have negative consequences also for other countries. For some time, our foreign partners have been waiting; they have been waiting to see the results of the election, of the political debate which had been going on, whether the country emerges as a stable country or not. They withhold further investment: these are the difficulties, these are the costs which we already have.

It is the first essential directive, it is the imperative of our foreign policy, to make Poland a stable and open country.

The second issue is the economic policy—that is the change of the political system. In this respect, we are more advanced than other countries which rejected communism. We have already introduced totally new economic legislation. This government has had to work on over 100 bills in the past year. Life of Poles is still difficult, but we think that this grave threat, this state of

sickness—I refer to hyperinflation—has been stopped. We must not allow it to return because this is what happened in many countries. Therefore, we cannot loosen certain financial, especially pay, limitations, but we think that, in line with the change of ownership of enterprises, that is the privatization, or entering of some enterprises into the privatization processes, these limitations may eventually be loosened.

Privatization is this great task which we have ahead of us: This is a task which no other country had to deal with on such a large scale: There are 7,000 state enterprises. It is a bold intention to privatize half of those enterprises—that is, 3,500 enterprises—in three years.

Finally, the third issue involves accomplishment of the construction of the bases of democracy by parliamentarian elections, and by working on and passing the constitution, and the creation of something that I call the citizens' state. That, too, requires time.

This is the task which awaits us, and it is real. It is a real task, provided that many more people feel involved in this process. I know it is difficult. I know that in times when the general situation is difficult everyone has to deal with his own matters and, as it were, is preoccupied with them, but I would like to say that I think that already certain spheres of activity, entrepreneurship, and political organization, self-government, have been opened, and the issue is that as many people as possible be drawn into this process because only then will the basic start of the economy take place.

PSL's Bartoszcze Pull-Out Rumor Reported

AU2311105390 Warsaw GAZETA WYBORCZA in Polish 21 Nov 90 p 2

["Kana"-signed report: "Bartoszcze—Is it Just a Rumor?"]

[Text] Is Roman Bartoszcze about to pull out of the election campaign? These are the "whispers" that are circulating among the Polish Peasant Party [PSL] officials. The reason is said to be the PSL's fear of suffering a humiliating setback if its leader only polls one or two percent of the vote. It might be a better political move for the PSL, if Bartoszcze were to pull out before the first round of voting and issue a call to party faithful to vote for Walesa. It is rumored that this is precisely what is being suggested to Bartoszcze by Andrzej Micewski, head of Walesa's advisory team.

"I have heard nothing of it," stated Rafal Krawczyk, head of the PSL's election campaign team. Asked whether he thought that such a decision was within the realm of possibility, he replied that according to him such a decision would be totally illogical, but he maintained that he knew nothing of such rumors.

Penal Proceedings Against Moczulski Submitted

LD2211154590 Warsaw Television Service in Polish 1500 GMT 22 Nov 90

[Text] The president's chancellory has submitted a motion to the minister of justice to initiate penal proceedings against the presidential candidate Leszek Moczulski in connection with his statements defaming Wojciech Jaruzelski. In the motion examples are given of various slanders by Leszek Moczulski as well as the leading activist of KPN [Confederation of Independent Poland] Krzysztof Krol. A drastic instance of this, we read in the motion, is Leszek Moczulski's 20 November television promise that if he is elected president he will form a supreme national tribunal and will judge, under the accusation of treason, coup d'etat, and murder, all living members of the party authorities, including Jaruzelski and his team.

Tyminski Publicly Responds to Current Accusations

LD2711215790 Warsaw PAP in English 2013 GMT 27 Nov 90

[Text] Warsaw, Nov. 27—"It is all lies, lies, lies," Stanislaw Tyminski told reporters at a press conference today in response to their questions about his alleged visiting Poland during martial law, suffering from epilepsy or a mental disease, and being an agent of the Soviet KGB or the former UB secret police in Poland.

Tyminski said he felt no need to apologize to Tadeusz Mazowiecki. "I had expected from the very beginning that Mr. Mazowiecki would support Walesa. And so it happened. I am not surprised. I am asking Mr. Mazowiecki's electorate to understand my intentions. I will say it once more: 'Concord will be our motto.'"

Asked if Lech Walesa must leave the country if Tyminski became president, Tyminski said it would be Walesa's personal decision.

Asked about evidence mentioned by Walesa's supporters which may cause a political ruin to Tyminski, the latter said: "I do not know what lie will be the next because we have already heard a lot of them. The situation is not normal. Such a situation was in the 1950's when the opposition was slandered, taken into prisons and tortured. The same methods are used today. I too have a piece of information which I hope not to reveal lest this should do harm to our country."

Speaking about his possible relations with the opposition if he was elected president, Tyminski said he hoped to win opposition's confidence as a man of good intentions. "I hope to be perceived as a patriot. I do not carry an axe. I would like first to show possibilities of development."

In reply to the question about his attitude towards Solidarity as the opposition to communism, Tyminski said: "It is hard to define such an attitude because Solidarity is not the one it used to be ten years ago. I hope the Poles will understand

how much President Jaruzelski did for the country because our country was then in particular danger coming from inside not from outside."

Tyminski accused Mazowiecki of being "very active in the 1950's, in the Stalinist times" as a journalist writing for a Catholic weekly in Wroclaw. "I have most of his articles written in the years 1950-1953," he added.

Asked what would he do if he lost, Tyminski said he did not think about forming any political party. "My home has always been in Poland," he added.

Ministry Replies to Tyminski's Comments

LD2111135990 Warsaw Television Service in Polish 1935 GMT 20 Nov 90

[Response by the Polish Ministry of Ownership Transformation to comments by Polish presidential candidate Stanislaw Tyminski during Polish television's 19 November "Electoral Studio" program—read by unidentified announcer; passages in italics are recorded]

[Text] [Announcer] Presidential candidate Stanislaw Tyminski, during his television appearance last night, focused on a document that apparently gave him the right to lodge severe accusations concerning the betrayal of the nation by the government and, personally, by Prime Minister Mazowiecki. We wish to address these altogether curious statements.

[Tyminski] *This document specifies the directions for privatization in 1990. I draw your attention to the fact that it was issued on 9 October, and this document cannot be separated from these elections, which are so important for the country.*

[Announcer] It is important to note that this document can be fully separated from the matter of the election. We knew about the fact that the government must present such a document in parliament from the moment that the parliament passed the law on privatization, as this law obliges the government to present to parliament the directions for privatization for 1990.

[Tyminski] *In this document, in the appendix, I saw prices, low prices for enterprises in the socialized economy that have been sold or else are being offered to people from abroad.*

[Announcer] Ladies and gentlemen, I am the person responsible for the pricing of the assets of enterprises allocated for privatization in 1990. We have been preparing ourselves for a so-called public offer of the shares of the privatized enterprises for several months. In association with the fact that we have little experience in implementing such evaluations, we employed well-known investment banks, mostly British ones. The pricing of such an enterprise is more or less as follows: This is an enormous document preceded by an exceptionally precise analysis of the financial situation of such an enterprise. On the basis of this information, we issue for all interested persons who would wish to purchase shares in the privatized enterprises a document that arises as a result of a synthesis of the documents prepared by the British banks. It is many pages long and details description of the enterprise.

It is on this basis that you can buy shares in these enterprises, ladies and gentlemen, since Mr. Tyminski misses the truth. These enterprises are to be sold to you, ladies and gentlemen, to Polish citizens. We spoke about this at yesterday's news conference, not yet knowing about Mr. Tyminski's statements. A total of 70 percent of shares of the top five privatized enterprises will remain in Poland. The remaining 30 percent of shares will, for the moment, remain in the state treasury and will be auctioned to other investers. If, in this case, we were to undervalue the pricing of these enterprises, then the advantage would go to those who buy these shares, and so, to small investors, small penny-for-penny savers, Poles. There is, therefore, no danger that national assets will be diminished in any degree whatsoever.

[Tyminski] *The prices are so low that it is a scandal, and I would even say not very ethical in relation to many honest foreign entrepreneurs, who, on account of ethics, would not be able to buy these valuable, profitable enterprises, at such low prices. Let me give you an example: The Exbud-Kielce Technical Services Enterprise, priced at a mere 137 billion zlotys.*

[Announcer] Ladies and gentlemen, here we are dealing with deliberate manipulating or with unconscious distortion of the facts. The figure of 137 billion zlotys describes the turnover of the enterprises and, thus, the size of sales of services and goods produced by the enterprise in 1989.

It is a reference figure, which has nothing to do with the value of assets of this enterprise.

[Tyminski] *One more example: the Warsaw metal rolling mill, formerly known as [word indistinct], which was to have been sold for only 59 billion zlotys.*

[Announcer] First, one has to say that the Norblin enterprise was not to have been sold for 67 billion zlotys, but sales of its products and goods amounted to 67 billion zlotys. One can agree with Mr. Tyminski that it is not much. In the government document entitled "Privatization Program," there was no information concerning the evaluation of those enterprises' assets.

[Tyminski] *On the basis of this document, during my address to the students of the International Business School in which many members of the government participated I accused the prime minister of Poland of the betrayal of the nation.*

[Announcer] Ladies and gentlemen, this whole issue arouses great emotions, as well as great outrage. Here we have to deal with totally curious allegations that are not supported by any facts; simply, one must despair. Someone makes mistakes on basic economic categories

and ten accuses the sitting prime minister of betrayal. One must question the credibility of these people and their right to make such grave allegations. I do not know whether Mr. Tyminski did this consciously or whether it is some kind of manipulation.

I can only say this: This is a lie; this is simply not true. Our ministry will distribute the so-called "Issue Prospectus" on 30 November, that is full information concerning the privatized enterprises. This document will be sent to every branch of the bank, about 200 nationwide. On the basis of this information, each of you will be able to decide for yourselves whether it is worth buying shares in these enterprises, where it is worth investing your money.

Tyminski Qualifications Spur Controversy

LD2111234590 Warsaw Television Service in Polish 1830 GMT 21 Nov 90

[Excerpts] [Announcer] The State Electoral Commission has established that Stanislaw Tyminski is a Polish citizen and that he is not being deprived of electoral rights. He fulfilled the formal requirements relating to declaring oneself a candidate for the office of president. In contrast to other countries, Polish law does not introduce criteria relating to the personality of a candidate or a conviction record. The electoral law does not exclude from candidacy persons against whom criminal proceedings are in the works. This would be inappropriate, as this would constitute abuse, for instance through the sending of denunciations to the prosecutors' office for the purpose of eliminating some candidate. [passage omitted]

A few days ago, Mr. Aleksander Pruszynski came to Poland from Canada. He is the publisher of EKSPRES, the most popular Polish fortnightly in Canada. He has been living in Toronto for 10 years, but he found out about Stanislaw Tyminski from the GAZETA WYBORCZA.

[Begin Pruszynski recording] From an announcement, specifically from an announcement, and then I started asking people in Toronto who this is. In the "Who's Who in Toronto" he was not to be found. We did not know him, and other competing papers did not know him either. My greatest surprise came when I arrived here and found out that so many people are interested in him. Of course they are interested, but they are not aware of the fact that in practice the bulk of the facts that Mr. Tyminski puts forward are half-truths. He is an entrepreneur, true; his enterprise has 15 employees. He is the chairman of a party, true, but this is a party that has never won a single mandate to parliament, either federal or provincial. He has written a book, yes, but with whom? Why does Mr. Tyminski not say this? In our conditions if there were so many half-truths about Mr. Tyminski, then Mr. Tyminski would not have any chance. I do not know what it is like in Poland. [passage omitted]

Last night, I received a telephone call from Toronto and material was sent to me from this consultating firm. So here is all that there is about Mr. Tyminski [rustles papers]. Included is a photograph of his factory. Ladies and gentlemen, the factory covers 614 square metres. I am sorry, ladies and gentlemen, but this is all. He is not what he says he is. He might be a good manager, that is true, but can one trust a man who does not speak the whole truth? [end recording]

[Announcer] Stanislaw Tyminski was accompanied, on his visit to the Wiadomosci program a few weeks ago, by the writer (Roman Samsel) and the TV journalist Tadeusz Krasko.

Lech Walesa also spoke of Stanislaw Tyminski at a rally in Zamosc:

[Begin Walesa recording] I do not know what would happen if we were, for instance if there was a run-off me with Tyminski—really something macabre! This really is an insult to the Polish state of affairs, but I am here speaking of something else. I—despite the fact that this is an insult to us, for he is speaking of pennies—take around millionaires with me who could buy Tyminski three times over and still have change. So, this is not any great amount of money, no millionaire. On the other hand, he hands some people sausages and they think that he will save Poland. Well, more imagination, more logic. Really this is not the point. Second, he was in the bush for 20 years. Somewhere he was putting deals together, the treasure of the Incas or something. Well, ladies and gentlemen! This is not Poland! [applause]

It is necessary, necessary to come to an understanding, it is necessary to come to an accord, it is necessary to have an infrastructure, it is necessary even to have served time in prison here. In association with this, it is simply necessary to live here. [end recording]

Commentary Warns of Tyminski Duping Electors

AU2311151690 Warsaw GAZETA WYBORCZA in Polish 21 Nov 90 p 1

[Ernest Skalski commentary: "Is Poland About To Become a Laughing Stock?"]

[Text] Initially, Stan Tyminski bored us all with his shallow and silly nonsense. The fact that he was not involved with Polish internal matters and that he had made his fortune in America seems to be quite sufficient for his supporters.

Neither the former nor the latter now seem to be altogether true. Given his emigration to Sweden in 1969, his good relations with the Polish People's Republic's diplomatic missions abroad, and his frequent visits to Poland in the 1980's, who knows, maybe he was involved? There are ambiguities as regards his business activities in Canada and Peru. In any case, it now emerges that these business interests appear to be on a

quite small scale and rather average, given the opportunities that exist in Canada. Additionally, Tyminski is evasive about his campaign finances.

If Stan Tyminski was not a presidential candidate, then it would be highly inappropriate to publicly present what we know about him. All that we know about him is still in the realm of conjecture. This man, however, is running for the post of president. This means he has to be above all suspicion. In a democratic world, public office precludes any personal privacy. It is up to the candidate to show he has nothing to hide. It is up to him to prove that he is without reproach.

One more thing, as the pressure of the campaign has began to mount, Tyminski has feverishly began to babble even greater nonsense. He lies in a quite obvious manner. He makes up even more improbable facts, for example, about "the 200 representatives of the government who drove down by car to Zakopane to talk with him." He takes official data from a document on production sold by enterprises in 1989 and presents it on television as the "sale" prices at which the enterprises have been bought by foreign capital.

Mental illness is a sad affair. We should never despise anyone who is stricken with it, because it can quite easily happen to any one of us. We are, however, talking about somebody who could become supreme commander of our Armed Forces, a man who will have the power to introduce a state of emergency or even martial law.

What do we see? The more this candidate's illness begins to manifest itself, the more his election popularity grows. At the last count, every fifth Polish citizen said that he would like to see Tyminski in the presidential palace. Tyminski has now overtaken Mazowiecki and is catching up with Walesa. A total unknown, a suspicious character, is threatening to overtake the two persons who have done the most for this country. If the trend is not reversed, he stands a real chance of becoming the president of the Polish Republic in the second round.

Even at this stage, the issue has become a worldwide scandal. Professor Jeffrey Sachs, with whom we wanted to talk about Poland in the international arena, told us that for the time being there cannot be any talk about anything. Should Tyminski get through to the second round, Poland will lose all credibility.

Sachs uttered those words when Tyminski stood at 17 percent in the polls; today he stands at 21 percent. In the past, Poland has been the "savior of nations," "the bulwark of Christianity," and "the conscience of Europe." Today, we stand a good chance of becoming the laughingstock of the world.

It could be argued that in the past Poland has often been ruled by people more terrible than Tyminski, the difference is that we did not elect them in free elections.

Candidate Tyminski Gives Economic Solutions

PM2211121190 Wroclaw SLOWO POLSKIE in Polish 3-4 Nov 90 p 4

[Interview with presidential candidate Stanislaw Tyminski by Marek Jarczynski; place and date not given]

[Text] [Jarczynski] Why did you decide to run for president?

[Tyminski] Poland is facing several dangers: the loss of economic sovereignty; the national economy's dependence on outside factors; and the loss of our national independence, even before we have regained it. I want to help in the struggle to overcome the crisis. I have a blueprint which will enable every Pole and the whole country to get wealthy.

[Jarczynski] Twenty-one years ago, you left Poland with $5 declared in your passport.

[Tyminski] After twelve years abroad, I wanted to return and settle in Poland with a million dollars to my name. I was not allowed in because of martial law regulations.

[Jarczynski] Where did you invest that money?

[Tyminski] In Peru. I established cable television in the Amazon jungle in Iquitos. I also opened a restaurant there and had a vegetable plantation.

[Jarczynski] Can you now bring this money to Poland?

[Tyminski] I do not intend to close down my enterprises in Peru. I provide employment for 80 families there. I can bring many times that sum of money to Poland.

[Jarczynski] Why did you choose Peru?

[Tyminski] People in Peru are very much like Poles. They have a heart. This is what makes us different from the commercialized West. I had to reach the very depths of Amazonia to get to know myself. Two of my children were born in the jungle. I have four children altogether. I married a Peruvian girl.

[Jarczynski] What else do you count as visible hallmarks of your success?

[Tyminski] In Canada, all nuclear power stations in the Province of Ontario use my automation and control equipment.

[Jarczynski] How many people do you employ there?

[Tyminski] About 300.

[Jarczynski] Canada is very commercialized....

[Tyminski] Canada once received Nazis from Germany. Much later, it received Polish Solidarity activists. Now it is allowing communists to come and settle there. It is a country of great tolerance. The government there is not interested in the citizens' religious views or political opinions.

[Jarczynski] What type of woman do you like?

[Tyminski] I like all women, regardless of their age, provided that they have a sense of humor.

[Jarczynski] You hold a red [Polish] consular passport, a blue Canadian one, and also a green Peruvian one. Which one do you value the most?

[Tyminski] I value my Polish passport most. It cost me the most trouble. At the Polish consulate they suggested that I renounce my Polish citizenship. I was told that my passport was the property of the state and, at the time when I was visiting my father, who was ill, my passport was confiscated.

[Jarczynski] What is your pedigree?

[Tyminski] My father was born a peasant in a village in the Lomza region. He later moved to Warsaw to train as a radio engineer. Before I emigrated, I was employed as a worker.

[Jarczynski] What, in your opinion, makes you different from other candidates?

[Tyminski] I believe that a presidential candidate must be financially independent.

[Jarczynski] What do you think about basing Polish economic reforms mainly on the models and blueprints operating in the West?

[Tyminski] The idea of adapting the IMF proposals to Polish conditions reminds me of the joke which claims that the Americans could have won the Vietnam war if they had persuaded the Vietcong to train its officers in U.S. military academies.

[Jarczynski] What did the West think about the round-table agreements?

[Tyminski] The West was surprised that Solidarity politicians decided to enter into a contract with the communists when it was no longer necessary. In effect, the order of winners was determined at the roundtable, just as if it were a rigged horse race. The result was a universal sense of disgrace; moreover, worse still, the originators of the Polish misfortunes are even now refusing to leave their positions.

[Jarczynski] Does the West appreciate the significance of our struggle for freedom?

[Tyminski] The constant appeals made by Poles for interest-free loans have resulted in the West's regarding them as very irresponsible. For a person brought up on Western ideas, to give someone interest-free cash is tantamount to making an unethical deal. The West is geared to making financial business. If you want to do the same, you must negotiate your business deals directly with industrialists, not with governments. The Polish prime minister is surrounded by clerks instead of industrialists. This is why all these meetings with business delegations from the West and the Far East fail to bring the expected results.

[Jarczynski] What, then, can give us a guarantee of success?

[Tyminski] You should not entrust managerial positions to university professors, because they are the ones who are still learning. An enterprise manager should earn ten times more than his rank-and-file employee.

[Jarczynski] How do you assess Poland's chances in the international arena?

[Tyminski] There is an economic world war going on out there. The West's economic offensive against Poland will be the more dangerous because it will be "invisible" to many of us. We must launch ourselves into that war. The only way to rescue Poland from the economic crisis is to concentrate on exports.

[Jarczynski] What tactics would you suggest here?

[Tyminski] The tactics of economic guerilla warfare. We have always been good at this kind of warfare. We must find gaps in our opponent's defense, concentrate on certain very narrowly specialized fields of activity, and acquire thorough expertise in these areas.

[Jarczynski] Whose example should we follow?

[Tyminski] Poles are traditionally enamored of Americans. We should follow the example of Hong Kong, Taiwan. and Singapore. Highly qualified and talented specialists are our greatest asset here. We have plenty of these and we should make the best possible use of them. I think our chances in this field are greater than the Germans', because in Germany labor is twenty times more expensive than here.

[Jarczynski] So why can we not get the economy going?

[Tyminski] Privatization will never be effective unless we set up an efficient stock exchange. This is because at present we lack an appropriate standard to measure the value of our business enterprises. In addition, we must have constitutionally guaranteed protection of private property. The smaller proportion of state ownership there is in the country, the better for us. The state should not take an interest in people's religious orientation or interfere too closely in the private life of its citizens. On the other hand, it should prompt and encourage citizens' initiative and reward high performance.

[Jarczynski] What is your assessment of the present Polish Government?

[Tyminski] It very often conducts its affairs in secret. It sells Polish products on the quiet. It fails to publish information on the contracts it has entered into. It publishes no budgetary information in the press—which should appear, say, at quarterly intervals—despite the

fact that the public are entitled to be informed about bank transfers from the state's revenues. At present the government is working to support the state bureaucratic structures, whereas it should be the other way around.

[Jarczynski] What other drawbacks do you see?

[Tyminski] Maintaining the very high turnover taxation, which is, to make matters worse, collected several times over. In North America the overwhelming majority of the working population are employed in small business enterprises employing 5-10 persons, which work in cooperation with the larger companies. The small companies do not pay turnover tax. Only the manufacturer of the final product pays the turnover tax on it. In this way, the tax is collected only once. Another problem here is that the government has put a freeze on 26 percent of the Polish budget. In this way, one-quarter of our capital assets are excluded from financial circulation. The practice of relying on the government as the ultimate savior has never brought any positive results anywhere in the world. The Japanese would not allow their government to deprive them of their business initiative, but the Poles agree to it meekly.

[Jarczynski] What, then, is the first thing that should be done in this situation?

[Tyminski] The public have gotten used to the idea that they have no say in anything: The government decides it all. This psychological barrier must be broken. We should exercise our right to recall deputies and control the government's activity in all possible ways. After all, the government lives on our money, and consequently it is obliged to help people become liberated.

[Jarczynski] You are an advocate of the call to freedom.

[Tyminski] If we must be poor, let us at least be free. Free from the arrogance of the authorities; free from kowtowing to outsiders; free from economic servitude to the West....

[Jarczynski] You maintain that Poles do not like other nations. This is an astonishing claim.

[Tyminski] They do not understand people from other countries. They either kowtow to them or discriminate against them. Both these attitudes interfere in doing business with other countries.

[Jarczynski] Much has changed in Poland over the past few years....

[Tyminski] I myself am proof of the fact that, politically speaking, we have become liberated. Now we must regain our freedom in the sphere of mental attitudes and economic concerns. If we want to enter Europe, we must be fully liberated—and not be pushed by other, foreign forces, to become the white slave of Europe.

* Tyminski States Position on Armed Forces

91EP0112A Warsaw POLSKA ZBROJNA in Polish 16-18 Nov 90 p 3

[Interview with presidential candidate Stanislaw Tyminski by Lt. Colonel Andrzej Medykowski; place and date not given: "'The Army Should Be Headed by Individuals With Special Predispositions and Qualifications'" under the rubric "POLSKA ZBROJNA Interviews Candidates for the Presidency of the Republic of Poland"]

[Text] [Medykowski] Armed forces are an inalienable part of a sovereign state. Pursuant to our Constitution, their commander in chief is the President of the Republic of Poland. How do you intend to exercise this duty if elected?

[Tyminski] The Polish Army is an institution of special importance in view of our history and the role it has played in it. For this reason too I, as the future President, would like to devote much attention, and even concern, to it. Of course, this is indicated not only by historical considerations but above all by the needs of this country. The huge intellectual potential and relative surplus manpower of the Army are at present being insufficiently utilized, at the expense of interests of the state. This must change.

Personal interest in problems of the Army does not mean direct leadership of the Army. I believe that that would be necessary when a concept of national defense is being developed along with the future structure of the Armed Forces and research and development work for the defense industry.

[Medykowski] How do you visualize the positioning of the Army and its leadership in structures of the state? ([Should it be represented] by the Committee for National Defense? Or by the prime minister, or should a new office, e.g., that of the general inspector of the army, directly subordinate to the President, be established?)

[Tyminski] I follow the principle that matters of special importance should be handled by individuals with special predispositions and qualifications. For this reason, I would entrust to a civilian minister of national defense the problems of cooperation with the government and the parliament, along with political, logistical, and financial problems.

I would appoint a supreme commander of the Armed Forces to whom would be subordinate the commanders of the land troops, aviation and Antiaircraft Defense, and the Navy. Our Armed Forces would be strictly defense-oriented, and their doctrine, organizational structure, and armaments as well as the education and training of troops would be subordinated to that goal.

[Medykowski] Not long ago the slogan was that the Polish Army is a powerful link of the Warsaw Pact. Nowadays opinions in favor of a need to join NATO are hardly isolated. What is your view on the political and

military alliances on our continent and on the participation of Poland and its Armed Forces in these alliances?

[Tyminski] Europe is a continent on which the either-or alternative of peace or war does not exist. At the same time, it is undergoing changes whose direction and, the more so, ultimate outcome are unpredictable. For this reason also Poland needs a strong and efficient defense-oriented army. This requires major changes in the organization of armaments, and the armaments themselves should be manufactured at domestic defense-industry enterprises utilizing indigenous technological thought and high technology.

I do not think that the current situation demands binding Poland by military alliances which—let us hope—shall acquire an exclusively political nature and in the future shall be dissolved.

[Medykowski] The Polish Army should be strong, efficient, well-organized, well-armed and well-equipped. But where to find the funds for that, considering that the country is poor and the Army is encountering various problems and few are willing to serve in it?

[Tyminski] The vision of an efficient army as a model is, in its nature, difficult or even impossible to translate into reality. Let us therefore put it as follows: the army should perform its purpose, i.e., safeguard national sovereignty and the inviolability of national frontiers, and protect economic interests to the extent defined by international law.

Resources should be adequate to tasks. The funding of the Army should in principle originate only from the State Budget. But as for the origin of budget revenues, that is a quite different matter, and here I perceive vast possibilities. One way of accomplishing this goal may be the application of Polish technical thought and latest technological advances in defense-industry plants. These actions should result in exports, i.e., in fulfilling foreign orders for ultra-finished products manufactured on the basis of military technology.

[Medykowski] Far-reaching moral, organizational, and structural changes that also affect education are taking place within the Army. One example is this new periodical, POLSKA ZBROJNA. The Army has been definitively purged of the party. Do you consider the scale and pace of these changes sufficient?

[Tyminski] The changes taking place in the Army so far, insofar as I am familiar with them, seem inadequate. I concur with their general direction but I would prefer a major modification in certain purposes and pace of these changes.

I accept without reservation measures intended to foster patriotism and education in the rich traditions of the Polish military. We should realize, however, that the modern soldier is a highly trained expert servicing extremely complex combat equipment. Thus both a broad background of knowledge and psychophysical preparedness are needed. These should be provided by the family and the school, and especially by scouting, which also is an excellent school of character.

I have already mentioned [as published] that officers should be the apple of the eye of the Army and the nation. Officers who love their profession, are well-educated, and distinguish themselves by their intellectual and moral qualities. Since these individuals devote the best years of their life to military service, I [if elected] President would make sure that they would not be distracted by any quotidian material worries and that, in return for the long hours they spend on duty, often far from their families, they would be protected with complete social security both now and after completing military service. The officer, or more broadly speaking, the career soldier (the extent of professionalism in the army should be much greater in the future), must be provided with quite decent pay and social protection before reaching the legal retirement age specified in general laws, after a corresponding provision is inserted in special legislation.

I feel it particularly important that young officers should have the greatest motivation for serving. As for the older officers, while their contributions should be properly appreciated, they should feel no regrets in leaving the army and finding employment—of course those whose state of health permits it—consonant with their qualifications. That too should be part of the career model—since not everyone can become a general—but so as to be useful to both the society and the economy.

And lastly there is the question of the relationship between politics and the army. It is difficult to conceive of an army rent by political dissension, but at the same time a situation in which individuals have no political views or sympathies is equally inconceivable. But that would be their personal affair. Politics should be handled by the President, the government, the parliament—each separately in conformity with the powers vested in each case. As for the Army, it should implement the tasks posed to it in an optimal manner.

[Medykowski] Thank you for the interview.

Economy Not Affected by Government Changes

LD2711230190 Warsaw PAP in English 2221 GMT 27 Nov 90

[Text] Warsaw, Nov. 27—Deputy Prime Minister and Finance Minister Leszek Balcerowicz said at the Council of Ministers here today that the country was facing a new situation.

The resignation of the government does not imply it is going to cease operation, he stressed.

The latest oil price rise resulted in difficulties for Poland's economy, but the economic transformations that have already been effected give us good odds of overcoming the obstacles, he added.

As opposed to the other neighbouring countries of the former communist bloc, said the deputy prime minister, Poland has already achieved a market orientation of her economy, which does not remain insignificant for the future.

Mazowiecki Addresses Conference on Western Aid

LD2311224390 Warsaw Domestic Service in Polish 1637 GMT 23 Nov 90

[Speech by Polish Prime Minister Tadeusz Mazowiecki to an international conference of representatives of 24 developed countries in Warsaw on 23 November—recorded]

[Text] The principal objective of today's conference is to present Poland's priorities in the field of nonreturnable aid that we are to receive in 1991-92 from the West. Thanks to a rigorous monetary policy, the rate of inflation has fallen from nearly 80 percent in January this year to a current 4.5 percent. The state monopoly on foreign trade has been abolished and the customs tariffs are being brought into line with GATT. All in all we are significantly closer to a market economy, but we are still dealing with many economically inefficient and outdated structures that are strongly monopolized and dominated by state-controlled enterprises.

Our public has had to pay a high price for the changes that we had for so long desired. Production has fallen and real wages have gone down by about one-third, while the number of unemployed exceeds 1 million people. Furthermore, several unfavorable external factors have appeared. This includes unfavorable changes in trade relations with the USSR. We are affected by economic consequences of the Persian Gulf crisis and a clear reduction of our export market in East Germany as a result of the unification of the two German states.

However, understanding, dialogue, cooperation, and foreign assistance could ease the effects of the unfavorable phenomena. We are also counting on further credits from international financial institutions, including the newly established European Bank of Reconstruction and Development. We can see more and more understanding among the government and financial circles of the developed countries, understanding that the vicious debt circle has to be broken. First and foremost, a lessening on the burden of servicing foreign debts has to be brought about since we are not able to spend $4 billion, that is 40 percent of our export revenues, on servicing our foreign debts. We need a reduction in the debts and a fundamental long-term restructuring of our repayments.

We appreciate the influx of financial resources into our country, thanks to good credits and loans provided for Poland by the IMF and the World Bank. But we need much greater involvement by foreign investors, among others for the purpose of accelerating the process of modernization and privatization of the economy.

Iliescu Accused of Political Manipulation

AU2711161990 Bucharest ROMANIA LIBERA in Romanian 18/19 Nov 90 p 1

[Eugen Dichiseanu article: "We Accuse You of Political Manipulation"]

[Text] Following the communique issued on 16 November in the press and on television promising further details, the 15 November Association of Brasov announces the following:

We are now in a position to publicize an open letter addressed to the country's president, Mr. Ion Iliescu.

We accuse you of political manipulation for the clever way in which you used our presence in Bucharest as representatives of the 15 November Association of Brasov—the bearers of the ideals of justice, truth, and freedom—to defend your disputed position as leader of the nation, disputed especially by our association.

Through our presence at Cotroceni Palace on 15 November 1990, the false impression was given that you enjoy the trust of the 15 November Association. This is not so, because that same day a meeting in Brasov issued a communique, which was published in the press—but not released on television—in which we firmly demanded your resignation as president of Romania. Once again you made use of the same treacherous communist methods to mislead the people by making them believe that we support you. We also strongly protest the attitude of manipulating Romanian television which, once again, played into the hands of power by not covering our whole meeting and dialogue with you, which otherwise would have demonstrated something completely different from what you wanted to convey.

These latest political maneuvers once again make us realize your game and the consequence of the communique issued in Brasov on 15 November 1990 and WE DEMAND your immediate resignation as president of Romania.

Issued today, 17 November, Brasov.

Iliescu's Monopolization of Power Criticized

AU2711175490 Bucharest ROMANIA LIBERA in Romanian 18-19 Nov 90 p 1

[Igor Butnaru note: "An Enlightened Despot?"]

[Text] We are witnessing (in an incredibly indifferent way) a process of dangerous monopolization and concentration of power in a single hand. Flagrantly and systematically violating the provisions of the election law—a normative act of a pre-constitutional nature—which establishes the duties of the country's president and limits them against those of the Parliament and government in accordance with the basic principle of separating powers in a state of law and democracy, is a basic law on the basis of which the country's supreme legislature forum exists and functions (!). The latter has validated (with incredible and somnolent placidity) a few normative acts: One of them establishes the Supreme Council for the Defense of the Country headed by the president of the state, who thus also becomes Supreme Commander of the Army (!); one, on the basis of which the country's president is entitled to preside over the meetings of the Romanian Government! He, therefore, also becomes the super chief of the executive apparatus! Finally, another normative act establishes that the Romanian Intelligence Service is (indeed an "original" democracy!) directly subordinated to the president as well! and so forth....

We just note facts and ask ourselves (with concern): Is an "enlightened despot" being born?...

Iliescu's Concentration of Power Decried

AU2711162390 Bucharest DREPTATEA in Romanian 20 Nov 90 p 1

["B.M."-signed note: "The Road Toward Totalitarianism"]

[Text] A new normative act has been adopted that seriously violates the provisions which establish the prerogatives of the country's president. The Supreme Council for the Country's Defense is being set up with President Iliescu as its head, and thus he becomes the supreme commander of the Army just the way Ceausescu used to be.

The second adopted normative act includes the provision, according to which Romania's president can preside over government meetings. Thus, Mister Iliescu becomes the head of the executive power.

The third adopted normative act includes the provision according to which the Romanian Intelligence Service is subordinated to the president of the country.

Such prerogatives concentrate the power in the hands of one person alone just as in any totalitarian country, and this person is none other than the person who since 1971 (according to his own statement) has had no other goal than to have the supreme role in the state. His name (as he liked to call himself) is: the wise despot, Ion Iliescu.

Roman Accused of Misleading Public

AU2811093090 Bucharest DREPTATEA in Romanian 21 Nov 90 p 3

[B. Mihai article: "Mr. Roman and the 'Truth'"]

[Text] Our country's political activity is heated. Hundreds of thousands of people walk out into the street demonstrating their discontent with the country's current leadership and demanding that Messrs. Iliescu and Roman resign.

In such an atmosphere, the prime minister tries—with the help of television, which is totally subordinated to the rule of the National Salvation Front [FSN]—to

present Romania's current situation by saying that he, who was on the barricades of the revolution on 21(?!), 22, 23, and 24 December, cannot distort the truth.

Let us see what these so-called realities are:

—The Front includes people who are of importance for this country, while the other parties include only people who are important just for the given group and which should not be taken into consideration at the national level. **(Have you, by any chance, carried out a poll, Mr. Prime Minister, to see where the genuine Romanian values are? By no means in the FSN.)**

—The 13-15 June events have become more clear for members of the European parliament than they are for the Romanians. **(If what you say is true, then why has Europe turned its back on us? Do you believe that the video cassettes taped by the French operators will be forgotten by the civilized world?)**

—The Front has to present—as it did during the election campaign—the difficult times the country is going through. **(Should the prime minister have forgotten so soon the promises—read disinformation—made during the 20 April-18 May period and even after the elections?)**

—Within the framework of the FSN, consensus is reached from the bottom to the top, contrary to the other parties where it is from the top to the bottom. **(Then what is happening to those steering committees appointed by the center?)**

—The prime minister completely dissociates himself from the new party created in Romania. **(However, he did not utter a word about the nomenklatura in the Front's leadership or about those who still hold key positions—they or their relatives!)**

—Does Mr. Roman believe that a number of measures taken by the government are blocked by the leadership of some ministries or other coordinating bodies incorporating former cadres of the Romanian Communist Party? **(Whoever appointed them and who keeps them in those positions, Mr. Prime Minister?)**

In his televised appearance on 19 November, Mr. Roman "announced" other "truths" as well. More about them at a later date.

PNT-cd Calls For Iliescu's, Roman's Resignations

AU2811094690 Bucharest DREPTATEA in Romanian 21 Nov 90 p 1

["Appeal to Youth" by National Conference of Youth National Peasants Christian Democratic Party (PNT-cd) dated 18 November; place not given]

[Text] Gathered within the national conference, the National Peasants Christian Democratic Party [PNT-cd] Youth—bearing in mind the catastrophic deterioration of the economic situation and the people's standard of living, and the serious moral crisis; in view of the fact that the regime ignores all elementary rules of democracy by initiating a dangerous process of acquiring and concentrating power in the hands of a single person, and realizing that the current political regime is not able to fulfill its mandate, which was achieved by fraud, manipulation, pressure, intimidation, and disinformation:

Calls on all young people throughout the country and on all anticommunist and antitotalitarian political forces to unite to form a strong and united organization designed to successfully contribute to establishing a state of law that will ensure the free exercise of basic human rights. We have to disband the vestiges of this malign utopia—communism for which Nicolae Iorga had the best definition: "numbing through pauperization."

Since the current disastrous situation of Romania can be completely blamed on the government led by Prime Minister Petre Roman and on the serious political mistakes made by President Ion Iliescu, the PNT-cd Youth demands that the Roman Government and President Iliescu resign.

It also calls on the entire nation to take actions of solidarity with the struggle of the People's Front of Moldova to preserve the integrity and sovereignty of that ancient Romanian land.
National Conference of the PNT-cd Youth

PNT-cd Criticizes Refounding of 'Disguised' PCR

AU2811092490 Bucharest DREPTATEA in Romanian 22 Nov 90 p 1

[Declaration of the National Peasant Christian Democratic Party (PNT-cd) in Connection With Disguised Refounding of the Former Romanian Communist Party]

[Text] The announcement that the Romanian Communist Party [PCR] has re-emerged on the Romanian public scene at this time of economic and political crisis under the name of "Socialist Labor Party" [PSM], raises a number of questions and problems which have to be examined.

The Communist Party, which initially dissolved itself, announces its refounding only now, after it has carried out underground activity, which was felt in the staged disorder of 28 January and 14-15 June this year, as well as in the fact that efforts for resettling our country on new bases were systematically sabotaged. In all former socialist countries, the communist parties preferred to carry out their activity in broad daylight under new names, while the former PCR continued clandestine actions through the nomenklatura, administrative structures, activists, and Securitate members. This clearly proves the conspiratorial nature this party continues to possess.

The public has asked the question whether this party will claim the properties accumulated during the dictatorship by the PCR through abuse, membership fees, and theft.

The answer is provided by the "Appeal of the Organization Committee" of the new party in Mehedinti County, which openly claims under point 8 published in LUMINA newspaper (year I, No. 27, 18-25 XI 1990) the patrimony of the PCR. The question is also based on the current leadership declining to shed light on the amount of that property and on the real situation of former properties of the PCR.

The Communist Party now re-emerges, headed by former dignitaries who should sit on the bench for the accused and who have not yet accounted for their contribution to our country's disaster. How is it possible to tolerate such an offense to all the martyrs who fell in the struggle against communism?

If the former PCR wants to reemerge on the scene of public life and if that initiative does not hide a possible diversion of those in power, the announced group has to openly condemn all abuse, arrests, deportations, and crimes committed in the 45 years of communist dictatorship. Furthermore, it has to desolidarize itself from all those who—through their attitude and evil activity—have lost their right to represent the new democratic realities in Romania. We are convinced that this dubious communist stratagem will by no means affect the option of former pro forma supporters of the Communist Party and of honest people who, in the meantime, have openly shown their political leaning toward genuine democracy. It will, however, create confusion among the ranks of those who, although attached to the communist principles, joined the ranks of the National Salvation Front.

In conclusion, the National Peasant Christian Democratic Party [PNT-cd] is of the opinion that one has to respect and apply the rules of this political system to benefit from democratic conditions. In times of crisis, such as the one after World War II, the Nueremberg tribunal banned the reemergence of formations of a Nazi and extremist nature. The new party that has been established is in a similar situation.

Leadership of the PNT-cd

Former PSM Chairman on Means To Set Up Party

AU2611145590 Bucharest ADEVARUL in Romanian 18 Nov 90 p 3

[Sergiu Andon interview with George Serban, former vice chairman of Socialist Labor Party; place and date not given: "Is Totalitarianism Re-Emerging on the Scene?"; first two paragraphs are ADEVARUL introduction]

[Text] From a report in ROMANUL we learned that the national conference of the Democratic Labor Party was held Friday afternoon, 16 November, at the club of "Faur" plant. Several strange things happened during this conference, one of them being the spontaneous renaming of a group of members of the former Communist Party as the Socialist Party (a formation which has not been registered) and the merger between the Socialist Party with the party that hosted the conference. A new party, therefore, took shape—the Socialist Labor Party [PSM], headed by the following individuals: Ilie Verdet, chairman; Nicolae Balasoiu, Traian Dudas, Valeriu Petrescu, and George Serban, vice chairmen.

Yesterday morning, after only one night of being a member, and among the leadership of this new party, Vice Chairman George Serban tendered his resignation. This was a first false step from which we understand that the new (or old but renamed) party has started off on the wrong foot. Why? We are trying to learn this by interviewing Mr. George Serban himself.

[Serban] I do not want to dissociate myself from the PSM and by no means from the socialist left. I would have accepted participating even in a party named communist for reasons of historic nostalgia, but, of course, only if that party had radically revised its political program and methods of activity in the sense of social democracy. What happened during the conference, however, disappointed me terribly and made me take the step I took this morning with great bitterness.

[Andon] What did happen?

[Serban] Approximately 100-120 members of the former Romanian Communist Party [PCR] were accepted as guests among the more than 300 delegates of the Democratic Labor Party [PDM]. Their participation had been negotiated and accepted, including the idea of Ilie Verdet presenting the basic materials. The anachronistic nature of his words perplexed us. What we expected to be serious criticism of the communists system and a clear ideological dissociation from it turned out to be a very refined study and rejection of just the Ceausescu regime. It was as if the wording was taken out of the documents of the former party with their wooden language, as if nothing had changed in this country and in the world since they were in power.

[Andon] How did the conference accept such a program?

[Serban] This is the second reason for my great disappointment. The methods used were an embarrassing reproduction of those of the totalitarian party. The guests I was talking about imposed their views through vociferations, stamping their feet, applause, and standing ovations. Disappointed or disgusted, approximately half of our delegates—that is, of the PDM—left. Even some of the guests left, but the compact group stayed and decided to impose its views through communist methods. They were the ones who voted, together with the delegates entitled to vote, thus imposing the result that suited the shock group.

[Andon] How did the voting procedure take place?

[Serban] According to the rules of the well-known party "democracy": Open ballot, but, as far as the leadership bodies are concerned, the list of candidates had been prepared beforehand.

[Andon] Why did the presidium let the proceedings get "out of hand?"

[Serban] Prior to the conference—under various pretexts of participation—Ilie Verdet succeeded in achieving a presidium composition predominantly favoring them. Out of 11 people, only four were delegates of the PDM.

[Andon] Who were the most active people among the communists?

[Serban] Apart from Verdet and Dudas: Ion Stanescu, former secretary of the Central Committee of the PCR; Gheorghe Pele, former organizational secretary of Bucharest; Zmeu, former secretary of the party committee of the "Stefan Gheorghiu" Academy; and Manolache.

[Andon] What was your attitude during this disturbed and manipulated conference?

[Serban] At first sight, one can say that I should have adopted a clear-cut attitude during the conference. It was alarming, however, to see the reaction to the speech of Vasile Barbat, one of the most important members of the PDM, a true hero, and our only deputy. The moment he stepped on the rostrum and began to criticize the trend of the proceedings, he was interrupted and agitators began to disrupt his speech by stamping their feet and shouting; he was insulted by allusions to his pay as deputy, while Dudas told him in a brutal way to leave the microphone because "the hall does not want him." As a matter of fact, Vasile Barbat left the conference disgusted. It was not the repetition of this reaction toward me that impressed me, but the political reasoning that I would loose any credibility. Had I criticized them, they would have removed me automatically from the list of candidates and those elected respectively, accusing me of who knows what. Knowing my reputation in the party and in the eyes of the few delegates who were still there, I let them elect me, so that I would be able to take the current stance in the position of vice chairman and to tender my resignation by bearing in mind the political significance.

Journalists Protest Communist Party Reemergence

AU2711162190 Bucharest ROMANIA LIBERA in Romanian 20 Nov 90 p 1

["Protest" of the Directing Committee of the Romanian Journalists' Association]

[Text] The Journalists Association of Romania [AZR] presents the parliament, the government, and President Ion Iliescu a forceful protest against the reemergence of the Communist Party in the public life. Although as early as the beginning of the post communist period, the National Salvation Front [FSN] and President Ion Iliescu made clear statements regarding the dismantlement of the old structures, the FSN's policy of duplicity practiced in connection with the Communist Party, the fact that the genocide practiced for 45 years was attributed only to the 16-22 December 1989 events, and the conservation of the structures of the old regime have encouraged the communist nomenklatura to defy the law and Romanian public opinion, claiming its right to exist in a country in which this party inspired genocide of great proportions and an economic disaster that is difficult to evaluate. That is why the AZR calls on the parliament, the government, and on President Iliescu to refuse the Communist Party's right to a legal existence and, at the same time, to call to court all those who are proved guilty of the crime of genocide and are responsible for the national economic disaster.

The Directing Committee

Program Given for National Day Celebration

AU2811162690 Bucharest ROMPRES in English 1459 GMT 28 Nov 90

[Text] Bucharest, ROMPRES, 28/11/1990—The anniversary of Romania's national day—to be celebrated this year in Alba Iulia, the site of the great union on December 1, 1918—will be marked in the Romanian capital city, too, through an event to be held in the Arc of Triumph Square on November 30.

The festivity in Bucharest will start at around 10:00, local time, when floral wreaths will be laid on behalf of the presidency, the government, the Romanian Parliament, the Ministry of National Defense, other ministries and central institutions, political parties and groupings represented to Parliament, the league of war veterans, and the Mayor's Office in memory of the generations whose fight and sacrifices are linked to the victory of December 1, 1918. The thoughts of the people present will piously and gratefully concentrate on the martyrs of the revolution of December 1989.

A military parade will follow, when army sub-units will file under the imposing Arc of Triumph for the first time in roughly five decades.

On December 1, events will be held at the Military Academy Headquarters, at various memorials and at the cemetery of the young heroes of the December revolution.

Senate Discusses Bill on Labor Conflicts

AU2811212190 Bucharest ROMPRES in English 2136 GMT 28 Nov 90

[Text] Bucharest ROMPRES 28/11/1990—Wednesday, November 28, the Senate's debates focused on the bill regarding the settlement of labour conflicts, a document which is part and parcel of democratic questions, of human rights and the state of law.

The new normative act, meant to provide for an adequate legal framework and a constructive dialogue between employees and employers, regulates the procedures for the settlement of labour conflicts from their

beginning to their ending in an operative manner and on a par with the world legislation and with the practice of the most democratic states. Taking into account the importance, necessity and emergency of issuing such a law, the senators stated their opinion on 30 articles, with another 17 to be validated.

During the same session, the Senator of Suceava, Mihai Iacobescu, called the senators' attention to the fact that, 72 years ago, on November 28, the general congress of Bukovina was held in Cernauti before delegations from Bukovinan settlements and representatives of the main ethnic groupings in that old Romanian province to endorse a motion regarding the unconditional and everlasting union of Bukovina with the motherland, an important moment in the formation of the unitary Romanian national state on December 1, 1918.

Moreover, the Senate's plenum heard a message from the "Arboroasa" Society of Cernauti, which demands, on behalf of the over 300,000 Romanians who live and work in this area, that the Parliament should apply to the officials in the Moldovan and Ukrainian SSR to solve the serious problems facing the Romanian population in Bukovina.

The Senate decided that the message be submitted to the Parliament's Foreign Policy Commission for debate.

The senators also put questions to the executive.

Senator Valeriu Momanu's appeal to party and political grouping leaders singled out by urging to explain the population that not all the problems confronting the Romanian society at present could be solved in the shortest possible time. His alternative was the urge to responsible work and trust. Expressing his discontent at the way in which the television informs the public opinion, the senator of Constanta, Gheorghe Dumitrascu, requested the setting up of an independent television station.

Deputies' Assembly Reviews Draft Laws 28 Nov

AU2811162490 Bucharest ROMPRES in English 1457 GMT 28 Nov 90

[Text] Bucharest, ROMPRES, 28/11/1990—On Wednesday, the Assembly of Deputies continued its proceedings by Specialty Commissions looking into new normative acts to be discussed by the legislative forum in plenum. A series of draft laws needed in the current process of reforms for the transition to a market economy were finalized, such as the land law, on which works were conducted jointly with the senators in the respective Senate Commissions.

The commission for the elaboration of the drafts of Romania's new Constitution and the commission inquiring into the June 13-15 events also gathered. They are to soon finalize the documents the country as a whole awaits with interest.

On Wednesday, too, proceedings were held in the commission for mediation to solve divergencies between the Senate and the Assembly of Deputies on the adoption of normative acts.

FSN Collegium Communique on Brasov Anniversary

AU2611194790 Bucharest AZI in Romanian 15 Nov 90 p 1

[Communique of the Directing Collegium of the National Salvation Front]

[Text] The 1989 December revolution opened up the road toward the assertion of some genuine national values of our contemporary history, in which the people's struggle against totalitarianism and the communist dictatorship was a constant feature of the past decades. This fact permanently maintained the wish for freedom as the supreme symbol of the entire Romanian evolution.

It has now become possible to celebrate certain moments of this struggle and antitotalitarian and anti-dictatorial resistance—among which the general strike of the Jiu Valley miners in August 1977 and 10 years later the revolt of the Brasov residents in November 1987—deserve a major place in our history, because these actions have particular domestic and international significance. Despite the former regime's violent reprisals, the Romanian people proved their fighting spirit, rose up against dictatorship and the communist bureaucracy, kept awake the hope for a better future for this country, and drew the attention of the whole international public to the situation in Romania, thereby eliminating the false image created abroad by Ceausescu-type propaganda.

The outstanding echo and the resonance make topical those events which preceded and prepared the victory of our revolution last December. The present commemoration of the people's movement in Brasov on 15 November 1987 is proof of the respect for and the appreciation of all those who made a direct contribution to the fall of the dictatorship.

The National Salvation Front [FSN] attaches particular importance to this anniversary and is organizing actions at its county headquarters as well as at the party's headquarters in Bucharest municipality and various Bucharest sectors. Those commemorative actions will be attended by FSN members and sympathizers. We express our belief that other actions, meetings, and rallies will be viewed with understanding and will be characterized by proper civic conduct and respect for the order of law, as an expression of national solidarity, which helped our tried nation overcome the injustice and cruelty with which it has been confronted throughout its troubled history.

*** Meeting of Defense Minister, King Mihai Alleged**

91P20033A Bucharest BARICADA 30 Oct 90 p 1

[Unattributed article under the rubric "Rumors"]

[Text] National Defense Minster General Victor Stanculescu met secretly with King Mihai. The meeting took place in a warm and friendly atmosphere. The two sides reaffirmed their desire to hold further meetings. Mainly they talked about His Majesty King Mihai's contribution to the successful palace coup of August 1944. Mr. V. Stanculescu took notes.

*** Press Comments on Price Liberalization Measures**

*** Call for 'Optimism'**

91BA0075A Bucharest ADEVARUL in Romanian 2 Nov 90 pp 1, 3

[Darie Novaceanu article: "Doomed To Be Optimistic"]

[Text] So, as of yesterday, the day of price liberalization, we can be said to have left the shores of the old system and to have begun our voyage under the constellation of truth. Which does not mean that we no longer have a right to doubt. We do. We are also free to hope and dream. The truth, however, will keep everything in line, and the small fact that nothing is as bothersome as the truth will have to be swallowed as many other things in the past, like yet another glass of vinegar.

Nevertheless, there is—and we don't mind repeating ourselves—one area in which one is not permitted to daydream, and that is politics. And since we are already under the zodiac sign of the truth, we must admit that there has been and there still is a lot of daydreaming in this area. It is too beautiful a dream to believe that the price liberalization will fill the plants with raw and other materials and with key technologies. It is a technicolor dream to believe that as soon as they have everything they need, the plants will fill the stores with everything we need. It is a dream fit for wide screen to believe that this liberalization will lead to work and to a system of social relations based on respect, frankness, and honesty. These three dreams and perhaps others like them need no interpretation; they will not come true unless it is in nightmare form.

The confidence with which the government members, standing behind Prime Minister Petre Roman on this project, have been supporting the liberalization program in the past few days may be one reason for optimism. And the optimism is built-in from a certain level up, naturally depending on how much money a person has. Like an open blossom. Like a butterfly waiting for the lamp to be lit. Below that level there is far less sunlight and the wind begins to blow, whistling through every pocket.

What can we do, the ones below that level? We can be optimistic. We are doomed to be optimistic and to hold on to the floating raft until our arms are too tired. We will find sources and resources of energy to "hang on" only if we look inside ourselves to yet more profound depths, to the dark waters of suffering. The suffering that, scorned and chased away by all those comfortably installed in the Titanic of our transition, will try to "love" us for free and with passion, pitching its tent at the core of our existence.

It would, however, be a mistake for those sitting at ease in cabins with a porthole and a private bath to think that they are out of danger; the floating line is just that, a line drawn in chalk. And this Titanic should not be confused with a floating fortress. Something is not quite right and safe about it, and most of the passengers would do well to get out on deck every day and repeat quietly and aloud to themselves that if they are now traveling undisturbed that does not mean that they have won the right to do so thanks to their personal merits and own efforts. The circumstances pushed them up on deck, and this is an opportunity that will not be repeated. Because circumstances don't last, they are quickly snuffed out, it is their nature not to dwell too long under the roof of reality.

But let us return to firm land, at least those of us under the sign of truth. Let us take another drop from the glass of vinegar and, remaining optimistic, let us pretend that it is bearable, almost sweet. This means admitting that the government indeed had to take this decision on liberalization and that all that it is doing is to implement the political program announced many months ago. We admit it. It's true. And consistency in implementing this program in which, paradoxically or not, almost all the parties are beginning to identify segments of their own platforms, is not subject to discussion; nor can it be interpreted as an adventure, but only as a clear proof of courage and responsibility, and last but not least, of understanding and sufficient learning.

We admit everything. We also want to add that what we are admitting now we admitted a long time ago and more than once, so nothing new here. What is new now, among other things, is the fact that the Titanic of our transition is sailing away from the shore. Another thing to recognize is that the program does not feature the risk coefficient we run by not implementing it on schedule and in its entirety.

We don't have to be too knowledgeable to note that our ship is sailing off at a critical time and that a multitude of factors are involved. We won't list them now, but we have to note two of their consequences: the leu has become weaker, and the volume not only of consumer goods, but also of raw and other materials and of energy has dropped uncomfortably.

We know why this has happened. We know what quantities of commodities have crossed the border and what has been purchased even by those paid to produce them. We also know that side by side with the trade network

that was our source of supply until December, miserable as it was, there came the black market, and then a strange and semilicit system of privatization, and that in its entirety this process is threatening a sort of ...private trade monopoly.

At least two measures may have been welcome at this critical moment. An artifice, if not a monetary reform, to reduce the leu to, say, one tenth of its value, as Professor Rugina in vain advised us. Psychologically, with less money in our pockets we might have learned to behave better to ourselves. Secondly, it might not have been at all bad if yesterday, 1 November, the stores, all the stores in the country, had been filled to bursting with everything we need or don't need, in other words with precisely all the commodities that are not now to be found because they have been shipped to all kinds of markets through all kinds of means, none of which seemed to lead to the stores we know.

Since not even these two measures were taken, now there is probably nothing left for us to do but to implement the radical one, allowing the prices to do their own thing, to float at will, disciplined only by a market controled by black marketeers and private entrepreneurs. And let's be thankful for this chance we're getting to remain optimistic amid an industry of eternal miracles.

* People Will Be 'Poorer'

91BA0075B Bucharest ROMANIA LIBERA in Romanian 2 Nov 90 p 1

[Article by Anton Uncu]

[Text] The price liberalization has begun to become reality. Is it possible that this economic shock will trigger a social shock? It is. The government is only too aware of that. Prime Minister Petre Roman told us so at yesterday's press conference, but it would have been as clear even if he hadn't. After all, what are we holding against the government? The fact that it took this big step toward a market economy? God forbid! What we hold against it is that this step was taken while the overwhelming majority of our production units are still state owned. And the state, as the prime minister himself has repeatedly said, is a bad administrator. So the first important step toward a market economy, "the beginning of the Romanian reform," as it was described at the press conference, is being taken under this bad administrator, the state.

It is more than obvious that if at the moment the people have too much money, after the price liberalization this money will go to the state within a few months time, because all the production units are state-owned. In a few months time, when this privately held surplus money, which the people obtained thanks to the goodwill shown by the authorities before the elections, will go back to the state, and the rest of the process will continue at the expense of a progressive drop in the living standard.

We must also add that the price mechanism cannot be controlled. Even Mr. Petre Roman admitted as much when he said: "We will be able to formulate the price index only in two months, when this process would have ended." But if the price increase index cannot be formulated, on what basis where the cash pay compensations been calculated? Why were salaries not liberalized, too? Because, Mr. Roman told us, "...salary liberalization would have led to an uncontrollable situation." Possibly... But price liberalization, once it is out of control, won't lead to that, we ask? It is clear to everyone that the liberalization of the two elements of the same process, salaries and prices, could bring about a mutual regulation through the market mechanisms, but this cannot happen when one of them (salaries) is controlled and the other one (prices) isn't.

The moment of truth for the Romanian economy. All the production costs will be brought to their real level. Market prices for commodities will go sky-high. The stores will have goods to offer, but the consumers will not be able to get them because they will be too expensive. Consequently, the producer will try to save himself from bancruptcy by raising the price, only to go bankrupt because there will be no sales. "From the fire into the frying pan," as the saying goes. Now we have money but we don't have goods, tomorrow we'll have goods but no money. We'll be poorer, we will live worse—in fact, we will live at the level at which we produce. To produce better and live better, it is not enough to work hard, we also need to have new production technologies. That, however, we cannot do unless Europe helps us... You know the rest of the story. But what will the state do with the surplus money it will cash in? It will finance private enterprises, which...and so forth. So now we know what will be done with the money, too. These private businesses will first have to fight against the state enterprises, which won't be a problem, after which they will compete against each other, and that will bring the prices down... Maybe yes and maybe no, because I can't quite see what competition can develop among producers if raw materials are restricted (we are poor in resources). Perhaps we would have been better off to hasten the privatization, establish a competitive system in the economy, and then... Until then we have to lay our bets on the worst administrator, the state, putting salaries under control and letting prices do their own thing. God help us!

Post Script: As for the manner in which the questions and answers were selected, even at a press conference attended by representatives of the major Bucharest press, the embarrassing obsequiousness of television once again managed to put the prime minister in an unpleasant light.

* 'Incredible,' 'Disorienting' Measures

91BA0075C Bucharest DREPTATEA in Romanian 3 Nov 90 pp 1, 3

[Article by E. Mihaescu: "The Fuse Has Been Lit!"]

[Text] Something incredible has once again happened, another in the long series of incredible occurrences to which we have been subjected since December 1989. From the very first day of its implementation—1 November—the effects of the price "liberalization" have been stunning, further disorienting and pushing to despair millions of people who now, on the brink of winter, see themselves threatened by money shortages of such magnitude that they may be literally condemned to perish. How our social climate will fare after such treatment, is not difficult to guess. But how will people work once they know that their monthly salary will suffice to buy a bag of potatoes and a few loaves of dark bread? How will the government and the presidency survive a blunder of such unparalleled magnitude? We may of course estimate, without too many doubts, that the government will quickly fall and that President Ion Iliescu will crash to the ground. This is because the gap between the expectations of those who voted for the NSF [National Salvation Front] and what they will actually experience will be enormous. This is a simple question of social psychology that the government's advisers should have predicted; Messers. Dijmarescu, Vatasescu, and Stolojan should have taken a few trips to the Matache Meat Market to see how the prices are freely set on the genuinely free market. This is so unfathomably simple that our much too sophisticated economists ignored it with supercilious complacency.

The government's decision on price liberalization is a catastrophe both economically and sociologically, and its consequences will be social and economic chaos. We're saying this because the government has become an ultra controlling body, a prisoner of the former regime's habit of decreeing prices on the so-called basis of economic profitability. This is a completely mistaken, antisocial, and antieconomic approach that ignores the fact that prices are set in the market, in the physical market, just like at the... flea market or at the Bolintin country fair. Such statements may at first elicit smiles, but the way things are likely to develop, the government and all its economists will soon stop smiling.

The government has failed to grasp what "shock therapy" and privatization signify. Nor has it understood the concept of a free market. The old communist mentalities are clearly detectable in this governmental decision on so-called price liberalization. We think that the works of Keynes and the socioeconomic program taken by U.S. President Roosevelt at the time of the big crisis of 1933 could have furnished very important suggestions to those who are now trying the Reform on us. Our opinion is that a far simpler program with simple laws would have been far more efficient and less painful for the people. The first thing should have been to free all the economic agents from state control and to establish a stock market, which is the most important market. Another alternative would have called for a monetary stabilization—a very costly operation, but one favorable to the millions of people who live from one day to the next on their salaries. We think that this so-called liberalization, which in fact is merely a change of prices because the state has run out of money, having wasted it on the miners and on many other pretorian guards that we (still) don't know about, will not yield any other "fruits" than a serious disruption of the socioeconomic climate and great and dangerous political instability. Millions of people will have to pay a colossal fee, in other words, to pay for the plates broken by the Iliescu regime and by his predecessor. Nothing else. The government needs money; according to its boasts, this money will be extracted in the first place from those who profited under communism (forgetting the fact that the latter have recycled their money in the past few months and bought hard currency with it!), but the ones who will be cruelly hit will be the poor.

Everything is presented under the guise of a disarming subjectivism. As it is, the fact that the group of 24 most industrialized countries did not react favorably to this decision, requesting a genuine price liberalization, is most indicative of the seriousness of the government's measures. Does the government want money to modernize enterprises and purchase new technologies? Why is the government forgetting that for years, if not decades on end, the Romanian people sacrificed for the same goals, when one third of the national revenues were allocated to development? Are we starting the same thing all over again? Why was the opposition not invited on television, with the rulers, to give its views? This is a question we should think about. Was the government afraid that the opposition may suggest a genuine price liberalization policy that could wilt this decision culled from the arsenal of consolidated (or consolidating) socialism?

In any case, it is clear that the government and the Iliescu regime know what they want: money, as much money as possible, because it was the waste perpetrated in the name of original democracy that brought it to the bottom of the barrel. That and nothing else, against the background of a socialist economy with a human face.

* 'Justified' for Economic Reasons

91BA0075D Bucharest AZI in Romanian 3 Nov 90 pp 1, 3

[Article by Economics Professor Dr. Mircea Boulescu: "Price Liberalization: Competition and Social Protection"]

[Text] The objective laws of a market economy require free prices set directly between sellers and buyers on the basis of economic considerations rather than through administrative management.

The legal basis for the price liberalization is Law No. 15/1990 whose article 48 sanctions the principle that autonomous managements and commercial associations with state capital may set prices among themselves and in conjunction with third parties in keeping with the conjoint effect of demand and supply in every case in which there are at least three economic factors in the

Romanian market producing, servicing, and marketing the same type of commodity, work, or service.

The legal term for establishing autonomous managements and commercial associations is until February 1991, with the exception of state agricultural units, which have until April 1991 to reorganize into autonomous managements or commercial associations (Article 57 of Law No. 15/1990). Consequently, so far not all the state economic units have been reorganized according to commercial criteria. However, keeping in mind the objective needs and the actual situation in the economy, which require that the reform be sped up, as well as the effective implementation of the provisions contained in the reform legislation adopted by Parliament, a government decision states that the economic units scheduled to be reorganized in autonomous managements and commercial associations within the term envisaged in Law No. 15/1990 will also set prices and tariffs on the basis of the reciprocal effect of demand and supply.

The measure is economically justified. Its objective is to eliminate the deficiencies of the current price system which features artificial, markedly subjective prices set in the complete absence of any honest competition. At the same time, the main objective of the legislative measure to liberalize prices is to make the prices reflect the real relationships of value and productivity among the various products and producers, and to restore the balance between the structure of supply and that of demand.

The practice of free prices resulting from the reciprocal action of supply and demand and established by autonomous managements and commercial associations and by the economic units that will become autonomous managements or commercial associations through negotiations with consumers, is based on the principle of the existence of minimum conditions of a free and honest competition. Such minimum conditions are ensured by the existence of at least three economic agents that produce, service, or market the same type of commodity, work, or service. The price liberalization, in conjunction with free and honest competition, will bring about not only rises, but also drops in prices. Such tendencies are based on the ratio between resources and capacities and between supply and demand. The existence of several competing suppliers of the same product, work, or service is apt to block excessive price increases. Nevertheless, it is possible that in the short term there will be a tendency toward price hikes, although the purpose of the liberalization is to bring the prices back to real ratios.

Currently demand is high and supply relatively limited for many products. Achieving market equilibrium through supply means that shortages will be eliminated and precluded by increasing the consumer production, restricting and eliminating producer monopolies, and strongly encouraging free and loyal competition. In the last analysis, a strong, free, and loyal competition ensures a real relationship between supply and demand and its effect is a tendency toward lower market prices. Real prices promote production and efficient utilization of resources of raw and other materials and energy. Competition and increased production put downward pressure on prices and make profiteering disappear. In such conditions, the economic agents are motivated to manufacture what is in demand and what sells. Increases in the physical production sold makes it possible to increase the people's revenues in accordance with real availabilities.

To ensure a free and loyal competition, the government decision bans speculative or monopoly prices. In point of fact, the price liberalization, aside from stimulating viable economic agents as an essential means of economic recovery, is also designed to combat corruption and profiteering through economic means. Monopoly prices are monopolistic competition prices that deviate from the production prices. Such prices incorporate production costs and high monopoly profits, commanded by the fact that the monopoly can set high sale prices for its goods.

Prices and tariffs for products and services supplied by economic agents other than autonomous managements, commercial associations, and economic units scheduled to become autonomous managements or commercial associations will be freely set in keeping with supply and demand and through negotiations between parties. This category of economic agents includes all private producers and associations of producers.

The price liberalization begun on 1 November is not complete. At this stage the price liberalization is associated not only with free and loyal competition, but also with measures designed to protect the people within the limits of the possibilities permitted by the economic situation. Thus, if minimum conditions for free and honest competition are not made available by the existence of at least three economic agents that produce, service, and market the same type of commodity, work, or service and in the case of products and services temporarily subsidized from the state budget, the prices and tariffs will not be set directly by the economic agents but by the government in keeping with Finance Ministry suggestions based on negotiations with economic agents.

The government's decision also takes into account the objectives of the program on consumer protection, for which purpose it features a string of measures such as:

—budget subsidies to temporarily cover price differences for certain consumer products and services, for which retail prices and tariffs will not change. Such products and services include: electrical and thermal power, housing rents, heating and cooking fuel, public transportation, etc. This social protection measure is determined by the shortage of respective products and by the existence of a small number of producers capable of dictating prices;

—pay and pension supplements in the form of fixed monthly allowances per person, paid out by the units in which the persons are employed or from the budget,

designed to make up for the impact of the new retail prices and tariffs for basic staples (bread, meat, milk, sugar, fallpotatoes, etc.) and certain important consumer industrial products and services (drugs and medical services, detergents, children clothes, knitwear, and footwear, school books, etc.). The retail prices and tariffs for those products and services will remain unchanged until 31 December 1990 and the salary and pension supplements will begin to be paid as of January 1991 when the new retail prices and tariffs will be approved. For November and December 1990, the differences between the new wholesale prices set and the retail prices in effect on 31 October 1991, minus the trade discount, will be paid to the manufacturing units from the state budget. The size of the compensation will be established in relation to the impact of the price rises on the level and structure of normal consumption calculated per capita on the basis of family budgets. The compensation will be paid to personnel in units with state and budget capital, people on unemployment welfare, and pensioners;

—scholarships, food allowances for collective consumption, and state budget social aid will be raised in keeping with the price changes;

—salaries and pensions will be connected to the average foreseeable index of price and tariff increases calculated quarterly for foodstuffs (early potatoes, fresh fruit and vegetables, grapes, soft drinks, etc.) and nonfood products (clothes, textiles, knitwear, footwear, etc.), and for certain public services (transportation, post and telecommunications, sanitation services, etc.), whose prices and tariffs, which will be set as of 1 November 1990 in keeping with market conditions, will fluctuate freely according to the relationship between supply and demand. The salary and pension index will be calculated to include products and services subsidized from the state budget, and those for which the increases will be compensated as of 1 January by pay and pension supplements, but only if the price or tariff changes occur after 1 January 1991.

The government decision features a recommendation to private and cooperative units and to pension funds in sectors other than the state sector to appropriately make up for the effects of the price and tariff increases out of their own financial resources.

* Roman Interviewed on Status of Economy

91BA0090A Bucharest ADEVARUL in Romanian 4 Nov 90 pp 1, 3

[Interview with Prime Minister Petre Roman by Darie Novaceanu; place and date not given]

[Text] [Novaceanu] Mr. Prime Minister, these are the first days after the price liberalization. There is a certain anxiety around, first because of the prices as such, but perhaps also because people haven't been properly informed about the essence of this measure...

[Roman] You, the staff of ADEVARUL have provided more information than others, although at times in a critical, aggressive tone. That is perfectly normal in a democracy, still...

[Novaceanu] We were of the opinion that such an attitude was absolutely necessary. The fact that more details were not published at least two weeks previously and that people were not cited at least tentative or possible prices stirred anxiety. The action was poorly prepared. What have you got to say about that? The question we get from people is, why did the price liberalization need to come at this time?

[Roman] We cannot circulate money for which there are no goods available. More precisely, we don't have the financial resources to finance production and investments. The production mechanism is largely bogged down because of the distortions caused by the artificial prices practiced in the economy. First of all, in all the interviews I gave in the past few days I talked a lot about the importance of supply and demand; about what the suppliers are doing, how they should do it, and what they shouldn't be doing. These prices are not imposed. They are negotiated. The supply-demand process is a process of negotiations. However, no one is talking about this process just as it is becoming a reality. We are paying heavily for the fact that almost our entire trade network is state owned. Those who are now employed in trade accept the producers' prices without declining any, as a private dealer would do.

[Novaceanu] Well, in that case, wouldn't it have been better to first privatize everything—both in industry and trade—and then to begin to liberalize prices?

[Roman] We tried that. We tried to break the structures we inherited. You are well aware of how hard we worked on that, but in spite of all the endeavors to resolve this matter we met with very little success. The structure of this state trade network—about which I spoke in my report to Parliament—is an arbitrary structure that works against public interests. We must force these gentlemen to take the responsibility for real trade. Trade implies negotiating for the commodities offered. Because no one can afford to set a margin of profit higher than what the customary norms allow. The normal profit quota for a producer is five-six-seven-eight percent. Now, however, they all of a sudden demand 50, 80, and even 100 percent profit margins. That's absurd! No economy can survive such a thing. And then we must consider the consumer as such. He has a very simple solution. A product that is brought out at a very high price may not sell. In this way, the producer is forced to set a more reasonable price. Today I was told that a cake that used to cost 3.50 lei somewhere, now sells for 13 lei. But if one day no one buys and all the cakes end up in the garbage, and the same thing happens the next day, by the third day the price should drop to seven or eight lei—the producer will take care of his earnings to pay his employees.

[Novaceanu] No. He will sell, let's say, only ten cakes at 13 lei instead of selling 20 cakes at seven lei. His loss is covered. He will not come down in price.

[Roman] The buyer will always chose the less expensive of two identical products. Using the same resources (sugar, oil, etc.) a small producer can manufacture products at lower costs which he can then sell at lower prices. In the final analysis, the dispute around prices is based on costs.

[Novaceanu] We began with the sweet stuff, now let's go to the bitter. First we have to admit that at present all the stores, food or other—household items, electrical appliances, and textiles—are empty. Two days before the price liberalization they were illicitly emptied out through the back doors. What can you tell us about that?

[Roman] What can I say?! It is the kind of corruption that was to be expected because of the same basic currents caused by a state trade network. This state trade has generated a stratum of profoundly corrupt people accustomed to living like fleas on a healthy animal. There are, of course, exceptions...

[Novaceanu] The corruption did not come about two weeks ago or two days ago...

[Roman] This type of corruption has been around for dozens of years. You must agree that the corruption was at least as wide spread in trade before, too. I'm not talking about profiteering, which in itself has assumed alarming proportions, but corruption within the trade system.

[Novaceanu] Yes, except that right now I'm talking about the fact that the government—first the provisional government and then the one formed after 20 May—issued laws that allowed the stores to be emptied of wares.

[Roman] What laws are you talking about?

[Novaceanu] First of all Law 54, which practically permitted a very illegal privatization...

[Roman] That privatization was legal. It was largely blocked by the same administrative structures that weren't interested in allowing this privatization to function. Because if that law, imperfect and insufficient as it was, had not been blocked, instead of the trade network remaining in the hands of people who feel no personal responsibility for how they are run, today we would have had a commercial network governed by directly responsible personal interests, in which case I can assure you there would have been no point in corruption. This is a matter of logic.

[Novaceanu] Yes, it is logical. But I would like to go back to Law No. 54...

[Roman] I want to tell you what the eradication of the corruption you were talking about means from the viewpoint of the state and its tools. In the final analysis, from our viewpoint, if trade proceeds according to the principles of economic freedom, this corruption can lead to only one possible evasion, namely lying about the revenues declared. Well, we established a financial watchdog body to take care of that. This financial guard is now in the process of being formed; as you know, its duties will be comparable to what existed before World War II, and I can tell you that it is even armed.

[Novaceanu] I fear that it will be two years before it begins to work. We have been feeling the absence of such a financial guard for many months. Then, too, we were told that it was about to be formed. Now there is practically nothing to watch because at least half of the goods scheduled to come into the stores have disappeared in other directions...

[Roman] Yes, possibly, but you mustn't reduce the volume of commodities now existing to what is produced in one month of one year. Goods are being produced every day. The ones you are referring to are goods produced in a day or two. This does mean that everything will remain out of kilter.

[Novaceanu] Going back to Law No. 54 I want to ask you whether you agree with and endorse this combination of jobs, in the sense that, in accordance with this bill, half of the employees of a store are constituted in a private firm, and the other half continue to work for the state. In one and the same place...

[Roman] When we issued Law No. 54 we did not imagine this type of corruption. This was completely abolished under the bill on commercial associations, which expressedly talks about disloyal competition.

[Novaceanu] We kept talking about this abnormal situation and even suggested to Parliament to adopt a special law on such disloyal competition. There is no such law. I don't think that it would have been so difficult to hammer out and pass such a bill, since it exists in many countries with a market economy.

[Roman] It does. Look here, the bill on commercial associations clearly lists what these situations are and what disloyal competition means, against which due measures will be taken. So we have such a law.

[Novaceanu] All the firms that were established so far on the basis of Law No. 54 used equipment, raw, and other materials from state enterprises, which they acquired illicitly; the ones involved were in some cases the enterprise directors who became privatized on the basis of this law. Like the beer factories, for example. They became private by simply taking over for their own use absolutely everything that belonged to the state.

[Roman] I don't think there is any point in discussing particular examples and generalizing from them. If that were true, we would nowhave very many private enterprises that produce. That is, unfortunately, not the case. Most of the firms established on the basis of Law 54 are commercial firms—I can show you specifically. There

was nothing for them to take over from the state; at the most they could engage in the type of profiteering you mentioned, which we call illicit and for which we came out with a bill that has been enacted. There is no shortage of laws and regulations to block this kind of corruption. What we are short on is a system of protection, judicial order, and a judicial prosecution system. The existing system is still imperfect and insufficient. I will give you one extremely significant example: the number of problems, cases, and files that the prosecutor's office and the courts have to handle has grown in geometrical progression since the revolution, while the size of the personnel obviously increased very little. This is an inevitable stage of imperfection and difficulty in a democracy. But I want to tell you that even in these conditions, the government promoted the law on administrative claims.

[Novaceanu] Yes. That was not absolutely necessary...

[Roman] It depends from which angle you look at it...

[Novaceanu] Well, other bills should have been issued first; but we've also had some odd bills, like for example the one that allowed enterprise employees to buy their own products.

[Roman] Yes. That was not a bill, but a decision on allocating private commercial space outside the enterprises. But once again I have to tell you that that decision clearly stated that what the enterprises were permitted to sell in their own stores were discontinued items or products for which they had no contract to deliver through regular trade channels. That this decision gave rise to the situation you mentioned is a matter of enterprise discipline. The departments issued their own orders to expressedly ban sales inside enterprises, but the administration councils were not able to withstand the pressure brought to bear by the employees and especially by the trade unions.

[Novaceanu] But this phenomenon has not stopped even now. And the government has not intervened!

[Roman] Yes, we did intervene several times, but those were palliatives that did not produce the results we wanted. The only important thing is real prices. If the price is real, then it comes into competition with outside prices, which no longer permit goods to be squandered, and no one is now intrested in taking the goods out. In this respect things are clear.

[Novaceanu] Yes, that does seem certain. As far as the prices are concerned, it is very clear to me that the prices will be very high in relation to the purchasing capability of the man in the street. At the same time, it is also clear to me that the social protection measures taken are not yet sufficient. I also want to ask you whether you do notnevertheless think that it would have been better to enact a gradual liberalization before proceeding to this sudden liberalization, and whether a monetary reform should not have been implemented in order to give us equal chances to deal with the present situation?

[Roman] These are two distinct issues. Unfortunately, I cannot agree with either of them. For one thing, what we are now doing is a gradual liberalization, because the main resources are in the hands of the state and all the prices for which there are not at least three consumers [as published] will be negotiated with the state. This is in fact a gradual liberalization, but it is after all a price liberalization. The fact that you list a number of prices that undoubtedly will disturb the people does not mean that the entire social protection system is in trouble. Please remember the three important components of this social protection: 1) Some prices will not change at all: heat, electricity, rents. 2) Then there are the products that constitute the daily basket, what people need every day to feed their families and secure a decent life, for which the process has not begun yet, the prices are being negotiated, and for which appropriate compensations will be paid as of 1 January. And then there is a third category of necessary products which will be indexed with the salary. Thus, salaries will increase on the basis of an average price increase index. This does not mean that all the prices will thereby become or remain as accessible as in the past. Because the fundamental problem was, I repeat, the fact that the prices practiced until now were dramatically, tragically out of sync, I want to tell you, with the previous value of the resources that entered the national economy. The national economy is and was confronted with a situation for which I see no parallel almost anywhere else, but a typically Stalinist situation: enormous dependence on resources that are then poorly utilized. Of course, a country like the Soviet Union, which was dependent, with its big production capaciaties, on resources, did not suffer that badly. Nevertheless, look at the situation they're in. All the more so in our case, where we have to import more than 50 percent of our resources. Naturally, I'm not talking about Japan, South Korea, or other countries that depend almost exclusively on imports for their resources, but where the market economy imposes a very high degree of utilization. So let's be clear on this: The material situation of the population improved considerably since January, but...

[Novaceanu] There was excessive generosity...

[Roman] It wasn't generosity. We estimated that we should import more than under Ceausescu. Which was normal. We had to do that for the man in the street, who suffered shortages of basic commodities for so many years. However...

[Novaceanu] But we imported a lot of foodstuffs. That was, of course, absolutely necessary, although consumer requirements are still far from being met. Industry, however, continues to need raw materials...

[Roman] We did import foodstuffs. However, you must realize that most of the imports were raw materials. We imported consumer goods, too, it's true, and I still think that we were well advised to do so. It was a must. People who prior to 22 December had been starved expected a radical change after the Revolution...

[Novaceanu] Do we still have hard currency funds?

[Roman] Not really. That's the problem! To have hard currency reserves, those imports should have been parlayed into marketable goods for the domestic market and especially for foreign markets. What happened, though, was that everyone stopped working.

[Novaceanu] What hard currency reserves did we have in January?

[Roman] 1.2 billion.

[Novaceanu] And now?

[Roman] It's gone. Some of it still exists in the form of raw material for the metallurgical and chemical industries... Probably not compatible.

[Novaceanu] About two-three weeks ago the people had over 300 billion lei in its hands, either deposited at CEC [Savings and Deposits Bank] or under the mattress, as we say...

[Roman] Or in other forms.

[Novaceanu] Some say that this amount of money would have sufficied to buy the available commodities twice over. Do you think that the price liberalization will absorb this money?

[Roman] The liberalization must absorb part of this money for those products whose economic value will be correctly reflected in their price. First of all there are the durable goods that should thus appear on the market. Naturally, we are about to create a number of opportunities to draw this enormous capital by other means, too: housing construction, selling the housing stock, and within a certain period of time granting concessions to exploit commercial and touristfacilities, granting loans for small and medium-scale industry, and so forth. All these measures must serve to draw the capital currently held by the population, because I want to tell you that at least the money deposited at CEC will begin to be protected simultaneously with this process.

[Novaceanu] While the interest rate goes up 100 percent. Still, I want to ask you about the national currency, does the state currently have sufficient currency to ensure an appropriate cash flow?

[Roman] Of course we took this into calculation in order to be able to deal with the increases in mass demand for currency in the near future, which we will undoubtedly have to cover.

[Novaceanu] I'm not an expert in finances or economics, merely a simple citizen seeking information. Do you think that the products that sold now, in the first days since the price liberalization should have sold at the new prices, in view of the fact that they were acquired before the liberalization?

[Roman] Certainly not. These prices reflect only the situation of the state trade network whose consequences we still suffer. After the initial confusion, this matter was methodologically clarified. In point of fact, there is not enough stuff in the shops to create too much misunderstanding on this subject. There is, of course, the matter of the responsibility of the seller, who is a state employee, in relation to the responsibility of the seller who manages his own wares and property. Unfortunately, this state trade structure—which I described as arbitrary and contrary to public interests—still risks exacerbatiung this price image. Flagrant violations of the regulations concerning the price liberalization will have to be spotted by the financial authorities.

[Novaceanu] What happens, for example, with those who paid money on account for various items? I am referring to cars. They made their downpayments three or four years ago.

[Roman] There were no contracts between manufacturers and buyers; the money was deposited at CEC and is therefore protected through CEC, not by anything else.

[Novaceanu] No, they paid the money to purchase a Dacia car, for example. So there is a preliminary contract.

[Roman] It is not a contract. We have discussed this matter. There is no preliminary contract. Legally speaking, only contracts are protected under the government decision. Transactions for which there is no contract cannot be protected. CEC deposits are not a contract. A contract must always be between two parties, producer and buyer.

[Novaceanu] But this CEC [as published] was issued for IDMS [Enterprise for the Distribution of Sports Equipment], which serves as an intermediary between buyer and producer.

[Roman] Yes, but the money was deposited at CEC. It is protected by CEC through the interest paid by CEC.

[Novaceanu] So those who didn't buy their Dacia...

[Roman] Those who didn't buy the Dacia will from now on have to acquire it at the new price.

[Novaceanu] Is it true that you are considering printing banknotes larger than 100 lei?

[Roman] Yes, of course, that's a must. It has nothing to do with liberalization. It is a must. I will remind you that France has Fr500 banknotes and Germany has DM500 banknotes...What I mean to say is that the banknotes are designed to reflect the volume of currency in circulation. Anyway, there is no question of a monetary reform.

[Novaceanu] Would it not have been better to cut the value of the leu by one tenth?

[Roman] I would like to go back to the monetary reform; a reform would have undoubtedly had very harmful consequences for a large segment of the population, not for a few, but for a very large category of the population, because in point of fact a monetary reform actually cuts the volume of

currency, it is not a mere proportional reduction. I'm not interested in the fact that from 100 we make 10. Monetary reform means cutting the volume of cash.

[Novaceanu] Monetary reform meant that everyone would start out with equal conditions from now on.

[Roman] Exactly. Which means that I would have had to redistribute the people's money among everybody. This is something we didn't want to take upon ourselves because it did not seem stimulative for a market economy. Had we been in a situation of complete penury, so to speak, i.e., had our economy had nothing to run on as was the case in Germany after the war or in Romania after the war, perhaps it would have been worthwhile doing it. But since already this year we have accumulated—look, for example, at what the peasantry alone acquired in the livestock sector or in agriculture—why should they be affected for the fruits of their labor?

[Novaceanu] We're not talking about what a peasant earned for indeed working a lot harder this year, anyway a lot harder than in the past, and a lot harder than workers in enterprises...

[Roman] Exactly! If we had a monetary reform, the 500,000 lei, for example, that a peasant has earned would have been chopped off to 50,000. On what basis? Actually, changing the leu-leu ratio would only disorient the population without helping us in any concrete way in the transition to a market economy. It could only make the work of the state printing office and of cashiers easier. Our purpose is to increase the real power of the leu by relaunching the economy.

[Novaceanu] At the moment there are people in our country who managed to make millions—tens of millions in some cases—without doing any productive work.

[Roman] This is something that no one can prove. These are mere speculations. You have no basis for saying that.

[Novaceanu] As far as I'm concerned, I would like everyone to have a lot of money.

[Roman] Precisely. Let's consider the reverse. If we manage to activate this money, or to sterilize it as economists say, in other words, to create a situation in which this money ceases to exert inflationist pressures and goes into some active area of the economy, then we have made an extremely important step in Romania's economy. Do you know what proportion of the national revenues is achieved in developed countries in such small or medium-size enterprises and services?

[Novaceanu] A very high proportion.

[Roman] About how high?

[Novaceanu] It may exceed 40-50 percent.

[Roman] It may exceed 60 percent. And you know why? Because as is known, large concerns cannot, have no means of working with a profit margin higher than maximum four-five percent, while small firms can work with 10-12 percent profits.

[Novaceanu] Some firms begin to lose money as they expand. Even I have managed to understand that much.

[Roman] Right. Precisely.

[Novaceanu] Since growing beyond a certain level becomes undesirable, I would like to go back to something much more immediate. Do you think that a state employee who worked in a certain area, according to his skills, and was making a good salary—let's take for example a director general in the textile industry—has a right to open a private company to export textiles?

[Roman] Only if he gives up his job at the other enterprise.

[Novaceanu] So one is not compatible with the other.

[Roman] No. He cannot be employed in two places in such a situation. This is a typical case of disloyal competition.

[Novaceanu] Can the director of an export firm in metallurgy open an export company?

[Roman] No, it's disloyal competition. Typical.

[Novaceanu] Is engaging in lucrative private business compatible with the dignity of a government member?

[Roman] In my opinion it is not, because it may generate a conflict of interests. In other words, he may wield his influence to promote that particular business. But we cannot ban a government member from membership in a commercial association, in other words, from sitting on the administrative board of a commercial association. This is generally a very sensitive matter that is handled in different ways in the Western democracies. We must consider future situations, i.e., situations in which participation in a commercial association will be something profitable only if the possibilities of disloyal competition or influence peddling are eliminated. Such situations will naturally disappear once the process of forming commercial companies will have developed and the number of such companies will have grown.

[Novaceanu] Mr. Prime Minister, I want to thank you for this interview and to ask you, when do you think that our stores, private or otherwise, will fill with all the goods we need? In approximately how many years? Forgive me, I don't want to anticipate that it will be a matter of years, you may say tomorrow.

[Roman] Tomorrow may be right for some products. I don't doubt that it may happen. However, when you do this type of analysis, an analysis in which you talk

exclusively about effects and consequences without pinpointing the source of the trouble, what happens, unfortunately, is that you highlight only the disadvantages without showing why we have to put up with these disadvantages. No one is saying that this reform, and the price liberalization in particular, will bring only advantages to people, especially in the short term. We always said—we didn't hide this even during the electoral campaign—that the birth of a new economic structure in Romania will not be painless. If you ask only questions to which you think I should answer that only advantages will ensue, I have to tell you from the very start: there won't be only advantages. But I can also ask you what we have been asking ourselves in the government for months: what is the alternative in view of this double pressure?

[Novaccanu] I know that there is no alternative. We have upheld in ADEVARUL the need for a transition to a market economy through privatization and price liberalization ever since the first few days after the revolution.

[Roman] We simply didn't have the means even to continue the situation as it was until now. I don't know whether this is clear! The economic recovery will require efforts that the people will undoubtedly feel. The same thing happened in other countries, too. After which I'm sure we will have better times.

[Novaceanu] It is very clear to me...

[Roman] The price liberalization is the first stage, and a stage that may certainly be painful from a certain viewpoint. No doubt about that! But this is the only way to fill the stores.

[Novaceanu] Do you think that your public image is the same as it was four-five months ago?

[Roman] I'm sure it's worse. Why? Because I have had to bring the people a measure that cannot be perceived as 'popular.' But in my heart of hearts I hope, as a man convinced of having done his duty, that I have the courage to both tell the truth and to promote the realistic, immediate, and clear solution I have suggested. I think that all these features of the political situation we are going through and of the political and economic construction we pursue should project among the public the image of a government that is primarily the government of the country, a government that takes responsibility for the fate of this country. Someone had to do it, I'm fully conscious of that.

[Novaceanu] Mr. Prime Minister, we at ADEVARUL still have many questions that haven't been answered. Some of them were brought up at your recent press conference. It seems, however, that not all of them can be clearly answered. As you established, the finance minister will do so. I want to thank you very much for the interview of this day of frank dialogue; it is my hope that your image and the image of the government will not become too distorted from the one we all know.

[Roman] Amen.

Spokesman Baltazar on Market Economy, Housing

AU2711191190 Bucharest ROMPRES in English 1938 GMT 27 Nov 90

[Text] Bucharest, ROMPRES 27/11/1990—In Romania's strategy of passage to the market economy, an important element is the consolidation of the private ownership of the country's housing stock, stated government spokesman Bogdan Baltazar, secretary of state, in a news conference on November 27. Experience has proved, he said, that the social ownership of the housing stock entails economic and social inconveniences associated with the improper administration of the dwellings. Likewise, there can be no transition to the market economy in the absence of a spirit of ownership. For the urban population, such a spirit begins with the opportunity for the people to own their houses. The bills referring to the state housing stock and the possibility that it be transferred to citizens' ownership pursue that the state housing stock should be offered to citizens for sale, with priority given to tenants, Mr. Baltazar stressed, adding that as a measure of social security expressed also in the tenants' right to buy state-owned apartments in installments spaced out along many years. Such installments are not even today much higher than the rents and in the market economy they are expected to be by far lower than the level rents will reach in Romania. Even if the tenant is not interested in buying the apartment, a measure of social security stipulates that his lease is to be maintained for a five-year period.

Referring to the visit paid to Great Britain over November 19-22 by Minister Adrian Severin, assistant to the prime minister for reform and the relations with the Parliament, the government spokesman showed that the visit was the first at that level paid to Britain after the December revolution. He stressed that a string of positive actions had been agreed during the visit as regarded the possibility to back Romania to become again, as the British party too, wanted, a factor of stability in South-Eastern Europe.

Former Militia, Securitate Executives on Trial

AU2711150490 Bucharest ROMPRES in English 1307 GMT 27 Nov 90

[Text] Bucharest ROMPRES 27/11/1990—The Supreme Court of Justice's Military Department began the trial of defendants Tudor Postelnicu, Iulian Vlad, Gianu Bucurescu, Gheorghe Vasile and Mircea Varban who had executive positions in the former militia and Securitate, on the charge of illegal deprivation of liberty, according to the August 15 indictment of the Military Prosecutor's Department of the Romanian Prosecutor's Office. The indictment holds it against the defendants that they organized and coordinated on December 21, 1989, the illegal arrest of participants in the peaceful demonstration against Ceausescu, and later ordered

them to be taken away and imprisoned in Jilava jail. A total number of 1,245 persons were thus made prisoner without any legal detention papers.

Involved in the same case are defendants Marin Pirvulescu, Ion Guresoae and Gheorghe Stefan, investigating officers in the former Securitate's penal investigation section of the State Security Department who are charged with abusive investigation. The indictment against them states that in the night of December 21 to 22, 1989, they used violence and threats against many of the demonstrators kept in Jilava jail in order to force from them statements about their participation in the demonstration, who had organized it and for what purposes.

The defendants are tried in a state of investigative arrest all except Gheorghe Stefan, still at large, who is tried in absentia.

On the first hearing the indictment was read out and the court solved a number of requests made by the defence. The court ruled out the request to deal with the case of the three investigating officers separately and send them to the Bucharest Military Tribunal. As for the request that the measure of investigative arrest be canceled, the court postponed decision after the defendant's hearing.

The defendants' hearing was further postponed to November 27, the first to be heard being Tudor Postelnicu.

Generals Postelnicu, Vasile Queried

AU2711201090 Bucharest ROMPRES in English 1957 GMT 27 Nov 90

[Text] Bucharest, ROMPRES 27/11/1990—The Supreme Court of Justice, Military Department, started on November 27 the legal investigation in the trial of the defendants accused of illegal detention and abusive prosecution during the peaceful antitotalitarian demonstration in Bucharest, on December 21, 1989.

Former Minister of the Interior Tudor Postelnicu and former chief of the fourth department of Military Counterintelligence under the State Security Department, Lieutenant-General Gheorghe Vasile were examined.

Tudor Postelnicu (now serving a life sentence at Aiud for aiding and abetting genocide) pleaded not guilty, saying that he had not ordered and had not known anything about abusive apprehension and detention at the jail of Jilava of over 1,200 persons from among the participants in the rally and demonstration in Bucharest in the afternoon and night of December 21, 1989. He said that his penal prosecution for that deed had started after he had been sentenced to life [in] jail and that his accusation was not due to his guilt but to the offices he had had with the militia and Securitate. He also said that during the penal investigation pressure had been put on him to induce him to make statements against his will and he withdrew those statements before the court.

In turn, Gheorghe Vasile pleaded guilty, maintaining his statements made during the penal investigation but mentioned that his deeds had been prompted by the orders given by the chief of the State Security Department, General Iulian Vlad and had not sprung from his own will.

The court decided to resume the session on November 28, [at] 0900 hrs, when it is to hear defendants Giani Bucurescu, former deputy minister of the interior, and Gheorghe Goran, former chief of the Bucharest City Security Inspectorate.

Roman on Domestic Issues, Bonn Talks

AU2811190390 Hamburg DIE WELT in German 28 Nov 90 p 6

[Report on interview with Prime Minister Petre Roman by Boris Kalnoky; place and date not given: "We Must and Will Exchange the Whole Apparatus"]

[Text] Before visiting Bonn at the invitation of Federal Chancellor Helmut Kohl today, Romanian Prime Minister Petre Roman leveled massive attacks against the Romanian public prosecutors and the bureaucracy, and relativized the influence of President Iliescu.

Roman said in an interview with DIE WELT that he cannot understand that in the trials, the former Securitate leaders have only been accused of "their activities during the hours and days of the revolution." "These people cannot just be called to account for a minute, an hour, or a day of their work, they have to be called to account for all the years of their absolute obedience to the dictator." Roman said that the investigations of former Securitate chief General Julian Vlad, whose trial has been suspended since September for lack of evidence, "were very weak." Roman did not rule out the possibility that the reason is a certain affinity between the judges and the accused. He said he hopes that the trial can be resumed with a more comprehensive charge. Roman added that the judiciary is, "of course, independent of government instructions. The public prosecutor actually told me that if these people were to be tried because of their whole work, a huge file would be required. I told him that that is not the point; there are a whole lot of other things. I do not think that it is so complicated. You only need to have qualified people who are determined to investigate on these cases quickly."

In the prime minister's words, the biggest obstacle to far-reaching economic reforms is the state bureaucracy. "Instead of stimulating potential Romanian entrepreneurs, the administration usually hinders such initiatives. Be it from, say, a conservative attitude, be it for reasons of corruption, these people have been able to successfully stifle the Romanian's spirit of free enterprise," says Roman. He says that he has "virtually rebelled" against this state of affairs. Meanwhile, "a major campaign has been started to recruit managers according to the relevant Western criteria of evaluation

that we have taken over from the United States, for instance, and from you in Germany. We should not, however, harbor any illusions. It will be a difficult process because we are looking for 6,000 managers and 30,000 specialists." Basically, every civil servant of a certain rank must "try to find another job, unless they are able to face the new procedures."

Asked whether these problems are not attributable to a policy of staffing continuity in the administration, Roman says: "Well, it is correct that, following the revolution, we first had to maintain certain administrative structures, and had to rely on people who at least had the advantage of being competent within the old system." He is optimistic, however, "that we will succeed in really exchanging the whole apparatus."

Roman criticized the president indirectly for having called in the miners in Bucharest in June. "I cannot say that all our decisions and actions during these months were the best ones; I cannot absolve us of our responsibility. I am not Iliescu; I cannot tell you what I would have done in his place." Does that mean that Iliescu made the decisions at that time? Roman dodges the question: "Well, I do not know what I would have told the miners when they left." Iliescu had thanked them for their brave work for democracy. "As far as I am concerned, three weeks later I had a confrontation with the miners over their wage increase demands. I said no, and I think they understood," Roman added.

He says that as a result of the events at that time, Iliescu lost power. Answering a question as to whether "the president's star is falling, while yours is rising," Roman says: "I can assure you that a large majority of the Romanians—perhaps not 85 percent, but very many, still a strong majority—see Mr. Iliescu as the man he is—very human, deeply democratic, and tolerant. For the West, he is a controversial figure because he was a Communist and part of the apparatus, and because he was associated with the miners." Considering Iliescu's popularity with the majority of the Romanians, however, "it is connected with a certain idea of social stability, an idea of social balance represented by this institution, the institution of the president." Roman adds that he personally is in a situation where he pursues "a very difficult road with a very compact government team," a road which "has even still to be cleared."

These formulations seem to suggest a reorientation of the constitutional debate in Romania. In the past, Iliescu has always preferred a presidential government system according to the French model; however, Roman's statements suggest a model involving a strong prime minister and a rather representative president.

Commenting on the Moldovan Soviet Republic, which has a Romanian majority, Roman made the toughest statement we have heard from Bucharest since President Iliescu recently stated his "disinterest" in a reunification. He said that the most important task now is "to fight for the independence of the Moldovan Republic." It is "very well possible" that the natural course of history is running in the direction of reunification. Roman adds that we "should not forget that the present territory of the Moldovan Soviet Republic is much smaller than it used to be. That is an additional problem. Another point is the problem of the Romanian people who were deported. Millions of people were deported to Siberia and the Far East."

The prime minister said on his talks with Federal Chancellor Helmut Kohl in Bonn: "He wants me to tell him how the democratization process in Romania has been developing, and how committed the government and I personally are in coping with this matter." He says that economic aid will also be discussed. Such aid includes "financing projects which will yield results within a short period of time, especially if this financial or material aid is accompanied by human support—engineers, managers, and people who are able to teach us business. I think that in these talks we will be able to achieve solid relations between Germany and Romania." After all, Romania is "a country with a large potential and great opportunities."

Roman admits that price liberalization has caused annoyance among the people. He says that, despite certain social supporting measures, certain sections will be "hit hard." "Nor should we forget that the Romanians have not gotten used to judging political actions mentally." He hopes that "the mechanisms of the market economy will be created by the end of 1991."

It is true that there are still no goods in the shops, but "I tell you that it will come. It will not come to the desirable extent, however, unless we succeed in creating a competitive environment. Much depends on whether we are able to cause foreign partners to come to our country to push technological developments and to reactivate our country. In addition, it is important for our enterprises to be aware that they are really independent in connection with the deregulation of prices. They must realize that it is necessary to actively enter the market, and that means that production must be diversified and things must be produced that are really in demand, things that the people need. That is an entire process, and I think it is laughable and demagogic to say that one does not yet see any results."

The prime minister is convinced that there was no transport of secret Stasi [GDR State Security Service] documents to Romania late in 1989. "I am sure the Stasi intended to do just that; however, they probably did not have enough time." Anyway, no evidence has been found despite intensive research, says Roman.

He adds that the agents of the former Securitate in Germany "are today no longer in the security apparatus. They are either retired or work in other areas." Their main task was not espionage, but "refurbishing Ceausescu's image."

Roman, Kohl Discuss Reforms, Minority Issues

AU2811212090 Bucharest ROMPRES in English 2152 GMT 28 Nov 90

[Text] Bonn, ROMPRES, 28/11/1990—The talks in Bonn on Wednesday between Romania's Prime Minister Petre Roman and German Chancellor Helmut Kohl focused on questions related to the democratization process, the economic reform and its difficulties as well as the condition of the German minority in Romania.

In a news conference after the conclusion of the Wednesday talks, the official spokesman for the German Government stated that the two sides examined the question of Bucharest's being granted bi- and multilateral assistance, from international financial organizations included. It was covenanted that in late January and early February a team of experts from Germany visit Romania to look into the implementation of the economic reform and the development of German- Romanian economic ties.

Romanian Premier Petre Roman showed readiness to cooperate with Germany for the conclusion of a bilateral accord apt to guarantee the German minority's rights in Romania. In that respect, the Romanian head of government said Bucharest was interested in the German minority representatives' not leaving Romania.

The Romanian prime minister also said Germany would send a team of experts to make preparations for a long-term cooperation between the two countries and to study the recovery of the energy sector. He also underscored he hoped that country would further support Romania in the electric power sphere as it did last winter when it supplied Romania with energy that amounted to nearly 50 million DM [Deutsche mark] in the form of humanitarian assistance.

Mr. Petre Roman stated that Romania wished to break off with the state monopoly and therefore he needed the assistance of international organizations. To that effect, a couple of weeks ago, a Romanian delegation was received by executives of the World Bank in the hope that Romania would receive aid from it in February or March.

Ambassador Calls For Reconciliation With Hungary

AU2811161890 Bucharest ROMPRES in English 1515 GMT 28 Nov 90

[Text] Bucharest ROMPRES 28/11/1990—There are many chauvinistic irredentist circles who are using the hundreds of books published in Hungary to fan trouble and stir consciences, to rouse people and bring back in the focus what we call today the "inter-ethnic process," exulting, displaying awkward feelings which often hurt our Romanian dignity, Mr. Simion Pop, Romanian ambassador to Budapest said in an interview with daily "TINERETUL LIBER." He further said: What is more worrying is that "front line" political personalities are joining the irredentist stream. What can one expect when even the president of the neighbouring country, Mr. Arpad Goncz, found it fit to put his name on the cover of a Horthyist book "Transylvania Past and Future" which he had translated and prefaced. President Goncz's gesture is not in accordance with the aspirations declared in the Hungarian parliament and praised in public on the way to new Europe. Equally offending is the assertion that Romania's road to Europe necessarily crosses Budapest. We are puzzled and perplexed also by the Hungarian Prime Minister Antall's presumptuous self-proclaimed premiership over the fifteen million Hungarians living not only in Hungary but in Tra sylvania, Slovakia, Serbia, the USA, Canada or Israel as well.

Who benefits, at the present major moments of national and continental history, the Romanian ambassador wonders, by some Hungarian officials publicly appreciating, with persistence and lack of understanding, that Romania is a second or third-class country which should not even be considered as a European country at all but should be pushed into the category of the states migrating toward Asia. Most Hungarian mass media release biased and unilateral information on Romanian realities, slipping into a damaging war of chauvinistic and irredentist passion. Romanian mass media, on the other hand, content themselves with a long standoff defensive. We, Romanians, supported by reality and past events, should carry out a revealing offensive in that Romanian-Hungarian dialogue.

Answering a question, the speaker said: It would be but fair, honest and objective to compare and appreciate the concrete situation of both our minorities living in Romania and in Hungary respectively. No minority is entitled to more rights than can a country afford for its own nation—the majority population. The majority-minority relationship should be understood, in my opinion, as a perfect balance of mutual rights and duties, function of indispensable interaction and not of break-away and separatist activities. I consider illogical and hasty the tendency to set up political formations, unions, societies, groups and foundations according to exclusively ethnic criteria and then, depending on opportunities and circumstances, to declare them unions of a certain orientation or even political parties invariably representing the will of only one particular category I'm referring to UDMR [Democratic Association of Hungarians in Romania] but not only to it.

Now, in post-totalitarian Romania, we can and must call things by their name, the Romanian ambassador pointed out, we should confront each other through the force of ideas and not through violence, to restore a climate of reconciliation and cooperation among all citizens living in Romania. Historians, politicians, rulers, all people with a "public" voice should speak up, not looking forward to a messianic peace but telling the truth as it is in all the little details of our inter-ethnic life together. Not to tell the truth at the right moment equals betrayal; to tell only half of it means disinformation; to tell only one's own truth means unilateralization. I demand a

civilized, democratic dialogue and for good reason. I kept this reason for last: No outsider must interfere. Let everyone morally settle one's own problems. Let us wash our dirty linen at home, as a Romanian saying goes. That conforms to European spirit. And Romania, a European country by birth, has proved at all major moments in the continent's history that it was able to express its outstanding personality in the true European spirit.

Society Urges Joint Hungarian Cooperation

AU2811095290 Bucharest ROMPRES in English 0917 GMT 28 Nov 90

[Text] Bucharest, 28/11/1990—Under the headline "Let's Be Frank" daily ADEVARUL of November 25 reproduces an interview with three of the founding members of the Timisoara Society: Writers Daniel Vighi and Lucian Szabo and Iosif Costinas, editor of the "ORIZONT" magazine and leader of the Civic Forum.

Referring to the existence or nonexistence of a national question in Transylvania, writer Lucian Szabo stressed inter alia: "The question does exist, but we do not have any chauvinist incidents in Timisoara". " I think there is a tendency of autonomizing the zone with prevailing Hungarian population", opined in turn Writer I.Costinas, "but I also think that if the situation is normalized all over the country this tendency will lose ground". He considers that in order "to deter both Hungarian and Romanian nationalists, the diplomatic, cultural and economic relations with Hungary should be intensified", especially between the youth organizations in the two countries. Writer Daniel Vighi opined that one should seek out and cast more light on elements in the two countries' common history, in books and media, and also reveal the moments of solidarity and good coexistence between Romanians and Hungarians, showing that "whenever the Romanians and Hungarians did not come to terms, they both lost".

The respondents stated that the role of the Timisoara Society, that based its structure on the observance of human rights, was to help entrenching a climate of democracy in Romania. "Once this [is] accomplished" Writer D.Vighi said, "our mission will have come to an end and we will opt for socio-cultural activities or other domains".

Budapest Solidarity Acts With Romanians Recalled

AU2311150390 Bucharest ROMANIA LIBERA in Romanian 14 Nov 90 p 2

[Interview with Emil Iovanescu, former editor in chief of ROMANIA LIBERA, by Peter Banyi; place and date not given: "Special Correspondence from Budapest: How I Fought for a Free Romania"]

[Text] [Banyai] Mr. Emil Iovanescu, in the last years of the communist dictatorship, the group of Romanian refugees in Budapest headed by Mr. Rosca—who has settled in the United States—initiated the clandestine publishing of the FREE ROMANIA [ROMANIA LIBERA] newspaper, which, transported by rail, could be distributed in Romania. You were the last editor in chief of the publication, and you organized numerous protest actions against totalitarianism in Romania. Can you recall such a demonstration?

[Iovanescu] Our biggest action, which, as a matter of fact was the biggest demonstration organized in Hungary after 1956, was aimed at saving Romanian villages. That demonstration took place on 27 June 1988. The 120 members of our organization were joined by an impressive number of members of the Organization of Young Democrats in Hungary, (currently called the FIDESZ [Federation of Young Democrats], the second most important party after the local elections) and many Budapest residents were carrying banners with the words "Romania Libera" [Free Romania], "Do Not Destroy Villages—Do Not Destroy History," "Ceausescu—Murderer of the Nation." More than 100,000 people gathered in the Square of Heroes in Budapest. The Hungarians were chanting: "Long Live Romania, Long Live Romania!" I saw elderly people crying. It was the first time Romania's flag was hoisted peacefully in Budapest, a flag welcomed with sympathy and chants.

[Banyai] What can you say about December 1989 in Budapest?

[Iovanescu] I traveled through the whole city with the two flags—the Romanian and the Hungarian flags—placed side by side on a car. How can I ever forget what I saw then? The boundless joy, warmth, and the enthusiasm of Budapest residents are unforgettable images. Then, I went to Hungarian Television, where also I spoke on 18 December, and called on the Romanian Army. I still remember some words: "Soldiers and officers, you took an oath upon the holy flag of the homeland! You did not take the oath upon the clan which has destroyed our country! Do not fire at your brothers and at your parents!" This appeal was relayed also at the opening of the first—and unfortunately the last—Budapest television program broadcast live in Romania. In front of the Romanian Embassy and at all our gatherings, we continuously sang "Wake Up Romania!" The Hungarians here respected our national anthem by rising and learning its tune. The prime minister at that time, after speaking on television, was simply blocked at the exit of the building by hundreds of taxi cabs and private trucks drivers, who were asking him where centers of action are located, where one can bring aid for the Romanian people.

[Banyai] There is chauvinism in Hungary, too. I came across a newspaper "SFINTA COROANA" [The Holy Crown] which is an anti-Semitic and a revisionist paper. What can you say about this paper?

[Iovanescu] In the beginning, 30,000 copies were printed; today it has reached 5,000 copies and soon it will disappear altogether. First, the prosecutor's office fulfilled its duty and intervened. The extremist actions

are punishable in Hungary. The decrease in the number of printed copy is, however, the result of the people's lack of interest in this newspaper. The Hungarian people are not interested in such issues. I cannot say that there are no people in Hungary who have impossible dreams, but the overwhelming majority of the population have completely different problems than Transylvania.

Pro-Bessarabia, Bukovina Group Holds Congress

AU2811130490 Bucharest ROMPRES in English 1047 GMT 28 Nov 90

[Text] Bucharest, ROMPRES, 28/11/1990—The first extraordinary congress of the "Pro Bessarabia and Bukovina" association was held in Iasi on Tuesday [27 November] gathering representatives of the branches of the association of Romania, delegates of other Romanian cultural societies and groups as well as guests from the Republic of Moldova and Italy.

During the proceedings questions were approached related to the immediate and future objectives of the association among which actions meant to restore the national and moral dignity of the people in the Romanian provinces and abroad, the regaining of the restricted civic rights and freedoms. Some of the articles of the association's rules were amended and the publishing of a weekly "INTREGIREA" (reunion) of culture, history and information was suggested.

The congress adopted several documents in principle among which: a protest against the destabilizing actions of the Gagauz and Transdniestrian separatists and the attempt at the territorial integrity of Bessarabia, the declaration on the dismemberment and tearing off of the national territory of the Romanians, the removal of suspicion and distrust among the ethnic groups living in Bessarabia, an appeal to the governments of Romania and the Republic of Moldova requesting the abolition of visas, the setting up of automated telephone lines, reception of the TV programmes of the Republic of Moldova throughout Romania's territory, etc. Also adopted were the declaration of the association on the unification of Germany, the declaration of the Romanian people's rights which condemns the Molotov-Ribbentrop Pact and others.

Iliescu Receives Vatican Envoy's Credentials

AU2811212290 Bucharest ROMPRES in English 2115 GMT 28 Nov 90

[Text] Bucharest, ROMPRES 27/11/1990—After almost 40 years, the diplomatic relations between Romania and the State of Vatican resumed their normal course.

Wednesday, November 27, at Cotroceni Palace, Romania's President Ion Iliescu was handed over the credentials of the Apostolic Nuncio of the Holy See, His Excellency Monseigneur John Bukovski, Tabalta Archbishop en titre [in title].

On the occasion Monseigneur John Bukovski told the press that after having met with President Iliescu he hoped Romania and the state of Vatican would have not only diplomatic but also cultural relations that would raise the standard of the two countries.

He added that during his term of office he would try and contribute as best as he could to the development of the cultural, religious relations, of the general relations between Romania and the Holy See, the State of Vatican.

Adrian Nastase To Visit Prague 25-26 Nov

AU2211214690 Bucharest ROMPRES in English 2057 GMT 22 Nov 90

[Text] Bucharest ROMPRES 22/11/1990—Over November 25-26 the Romanian minister of foreign affairs, Mr. Adrian Nastase, will attend in Prague the opening of the European Centre for Studies Within the East-West Security Studies Institute in the USA as well as an international seminar on "The 1989 Revolutions a Year Later," announced the Foreign Affairs Ministry spokesman.

Roman's Visit to Argentina Summed Up

AU2811161290 Bucharest ROMPRES in English 1508 GMT 28 Nov 90

[Text] Buenos Aires (ROMPRES) 28/11/1990—In response to an invitation extended by Mr. Carlos Saul Menem, president of Argentina, Romania's Prime Minister Petre Roman paid an official visit to the Argentine Republic over November 25-27.

The Romanian premier visited the Headquarters of the National Congress (the country's parliament) where he was received by vice-president Eduardo Duhalde, and met with members of the two-chamber Commission of Romanian-Argentinian Cooperation and Friendship.

Prime Minister Petre Roman also gave a lecture on "structural changes in Romania" at the Argentinian Council for International Relations.

The Romanian premier also met Argentinian businessmen.

Mr. Anton Vatasescu, Romanian minister of state in charge of industrial and commercial activities, and the minister of foreign affairs and religion of Argentina, Mr. Domingo Cavallo, signed an accord on economic and commercial cooperation, an accord on the peaceful use of nuclear power and a programme for cultural exchanges.

The two sides agreed that the session of the joint Commission of Economic, Technical and Scientific Cooperation should be held in Buenos Aires in 1991 at a date to be established.

During Prime Minister Roman's interviews with President Menem, with the Argentinian ministers of Foreign Affairs Domingo Cavallo and of the Economy Herman

Gonzalez Romania's and Argentina's interest was highlighted in the maintenance of peace and the use of mechanisms of concerted political action to settle underway regional divergencies and conflicts and conflicts on an international plane.

At the same time, the two countries' stance coincided on the need to strengthen the role of the UN in questions related to international solidarity and the development of collaboration between the two countries on a multilateral plane.

The sides expressed their adhesion to the models of democratic and pluralistic power, on the basis of respect for the political will of the majority, all while considering the interests of the minority.

Premier Roman conveyed the president of Argentina, Carlos Saul Menem, the invitation of President Ion Iliescu of Romania to pay an official visit to Bucharest. The invitation was accepted with pleasure. The date of the visit shall be established by diplomatic channels.

Slovenian Presidency Protests Arms Demand

LD2811152990 Belgrade TANJUG in English 1443 GMT 28 Nov 90

[Text] Ljubljana, 28 Nov (TANJUG)—The Presidency of the Yugoslav Republic of Slovenia addressed a sharply-worded protest to the Yugoslav Presidency today over the demand that the republican territorial defence turn over all its weapons to the Yugoslav People's Army.

The transfer of the weaponry into military barracks started in May this year on the basis of an order by the Yugoslav Presidency. Strong opposition came from the Slovenian authorities, and the army did not suceed intransferring all the arms to barracks.

Renewed tension in the relations between the Federal Presidency and the Slovenian authorities sprung up, in the words of the Slovenian Presidency, after the command of the Fifth Army region, which encompasses the territory of Slovenia, recently issued an order for the remaining military hardware to be transported to barracks.

The Slovenian Presidency has announced that it turned down the demand of the Fifth Army region at its previous session. The Presidency also repeated its demand for all weapons taken so far to be returned to the republican territorial defence.

The Slovenian authorities earlier this year decided to place the republican territorial defence under the jurisdiction of the Slovenian Presidency. This decision was not accepted by the Yugoslav Presidency and Defence Ministry.

The decision of the Yugoslav Presidency to order the weapons transferred to barracks was explained by the need to protect them from a possibility of theft. The territorial defence is a segment within the concept of Yugoslavia's total national defence, which is under the supreme command of the state Presidency.

Slovene Government on Federal Gas Price 'Threat'

AU2811213590 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 28 Nov 90

[Text] One of the strategic aims of our republic's economic policy in the coming year is to stop any further decline in the social product which has amounted to six percent this year. This was said at the session of the Slovene Executive Council today. Our strategic tasks will include entering foreign markets, saving, and preventing the present economic stagnation from turning into an uncontrolled hyperinflation.

The Slovene Government also examined the situation in the wake of the federal government's demand that the republic reduce the prices of gasoline and oil derivatives. The republican government decided that the prices of gasoline and oil derivatives in Slovenia will remain unchanged. As regards the threat that the federal organs will block gasoline stations in Slovenia if gasoline prices are not reduced, it was said at the government session that there is no formal basis for such an act and that the respective organs of the republic would prevent it.

Slovene Social Democratic Party To Be Formed

AU2311104490 Belgrade POLITIKA in Serbo-Croatian 8 Nov 90 p 10

["V.M."-signed report: "The Individual and the Economy at the Forefront"]

[Text] Ljubljana, 7 Nov—The founding of a new Socialist Democratic Party was announced at a news conference today. Its main aim will be to transform present Slovene politics. The main reason for founding such a party—which is supported by Ivo Vajgl, Zivko Pregl, Rade Bohinc, and Rastko Mocnik—is the need for quicker reform. Considering that the current parties in Slovenia continue to squabble over marginal issues and pathetic analyses of past events, the present Slovene politicians are slow and inefficient and are wasting a great historical opportunity, as well as neglecting the economy and social issues.

Thus, the main focus of the new Social Democratic Party will be the individual and economic social issues which have, according to Ivo Vajgl, remained neglected when compared with the general political situation.

Croat Assembly Head Discusses New Constitution

LD2311173390 Belgrade TANJUG Domestic Service in Serbo-Croatian 1304 GMT 23 Nov 90

[Excerpt] Zagreb, 23 Nov (TANJUG)—"The right to people's sovereignty guarantees the Croatian nation the right to secession, to the creation of their independent state, to joining forces with other nations and states, as well as the right to managing economic, legal, and political relations in its own state. The state sovereignty of the Croatian people presupposes free and independent handling of results of its labor and natural assets located on its territory."

This was stated today by Zarko Domljan, the president of the Croatian Assembly, in the introductory speech at a joint session of all three chambers of the Croatian Assembly. Domljan was explaining the draft of the new Croatian constitution. According to Domljan, "the Croatian Republic is being defined as a national state of the Croatian nation and as a state of members of all other nations and national minorities. The constitution guarantees that they are equal with Croats and that their national rights will be realized in accordance with democratic norms outlined by the UN and countries of the free world."

According to the draft constitution, Croatia will have its own armed forces and diplomatic missions throughout the world. Yugoslavia is mentioned only once. The very end of the draft states that Croatia will remain within the SFRY until a new treaty between Yugoslav republics is

signed or until the Croatian Assembly decides otherwise. If the territorial integrity of the Croatian Republic is violated through an act or action of federal bodies or bodies of another republic or province which is a member of the federation, or if the Croatian state is brought into an unequal position within the federation or if its interests are endangered, then on the basis of the fundamental right to self-determination and sovereignty defined by this constitution, republican bodies will make necessary decisions aimed at protecting sovereignty and interests of the Croatian republic. [passage omitted]

Croat Council Seeks To Resolve Minority Issues

LD2811150190 Belgrade TANJUG in English 1417 GMT 28 Nov 90

[Text] Zagreb, 28 Nov (TANJUG)—Inter-ethnic relations in Croatia have never been more tense, and it is necessary urgently to resolve the question of all the citizens of this republic, either through a declaration or a new republican constitution.

This was heard today at a meeting of a special working group formed by the Croatian Presidency after unrests in parts of Croatia with a majority Serbian population. The group is to prepare a plan for the cultural autonomy of Serbs in this northwestern Yugoslav republic.

The members of this group—prominent Serb and Croat intellectuals and politicians—today again failed to budge from general statements about the difficulties of resolving inter-ethnic relations in this republic, where the Croatian Democratic Union of Franjo Tudjman won at the multi-party elections in spring and ousted the communists from power.

The minority Orthodox Serbs in this republic (officially 600,000, but according to some estimates over one million of them), have asked for cultural autonomy, fearing a repressive nationalist policy of the new Croatian authorities.

Most of the participants in today's debate assessed that efforts should be made to establish a political climate which will enable the problem to be resolved through civic and national rights, rather than through a plan for the rural autonomy of Serbian Croatia.

Croat Minister Denies Nuclear Construction Rumors

AU2811214990 Belgrade BORBA in Serbo-Croatian 19 Nov 90 p 6

[T. Bohus report: "A Decade Without Nuclear Power Plants"]

[Text] Articles have been appearing recently in part of the Yugoslav press which directly accuse Croatian President Dr. Franjo Tudjman of receiving a commission of nuclear technology producers for the supposedly firm promise, that in return, two nuclear power plants would be built in Croatia.

Part of the press has also been circulating a report about the supposed statement made by Boze Udovicic, Croatia's energy minister, that Croatia has not rejected the possibility of continuing the nuclear program that was previously adopted.

In this regard, Minister Udovicic has given the following statement to BORBA:

As regards the nuclear program, nothing has changed in Croatia. We do not intend and are now not able to build nuclear power plants because not even three republics together could construct such plants with a power of 1,000 megawatts. We are only sorry that we cannot be involved in nuclear technology and keep up with it, which we will probably begin to do in time.

When we will start building a plant and whether we will do so depends on many factors, primarily the rise in demand for electrical energy. On the other hand, it will also depend on the conditions in which a plant would be constructed. Thirdly, if there is technology for a plant with 1,000 megawatts, we will probably have to ask other republics to build plants with us; but we would clearly have to reanalyze this at that time.

This is basically our stand and we have not made any decisions whatsoever, and it is certain that we will not be building a nuclear power plant in the next 10 years. We do not have the conditions for this and there has not been such a rise in demand that we would have to build a nuclear power plant with a capacity of 1,000 megawatts.

Our attitude to the Krsko nuclear power plant has not changed either. We expect Krsko to work as long as possible and as safely as possible. We will do everything in our power to ensure that the plant works safely for as long as it works. It is our wish that it work for as long as possible, but we do not want to influence the decision of the Republic of Slovenia. If Krsko is nevertheless closed, we will of course then demand compensation from the Republic of Slovenia as agreed.

Croatia's Manolic Views Economic Policy, Borders

AU2611113790 Zagreb VJESNIK in Serbo-Croatian 11 Nov 90 p 4

[Interview with Josip Manolic, president of the Executive Council of the Assembly of Croatia, by Mladen Plese; place and date not given: "Yes to Privatization but No to Robbery Too"]

[Excerpts] [Passage omitted] [Plese] I suggest that we refer to the interview that you gave to VJESNIK a few months ago in which you very resolutely came out in favor of the market, rejecting even the thought that Croatia could establish its own kind of state capitalism. Moreover, you advocated a thorough reprivatization of the economy. Since you have been at the head of the government, several economic systems have been proclaimed public enterprises and a provision has come into force which bans the sale of enterprises and stocks

without the state's consent. It has been assessed by part of the public that this conduct by the government of Croatia is in fact gradually leading to the introduction of what you opposed—state capitalism.

[Manolic] I am still in favor of the free market, just as I was before, and I am also practicing what I preach. However, we must make some concepts clear. For me it is essential that the state functions. As regards whether we are moving into state capitalism, I ask: Is our present situation not in fact state capitalism? In our republic, we are not talking about any other ownership but state ownership. This is, however, concealed by some kind of quasi-social ownership because attempts have been made to think up new forms of ownership. Herein lies the essential difference between Yugoslavia and the East European countries which have pure state ownership. The biggest problem now is, how we can abandon the state capitalism that has us in its grip. [passage omitted]

[Plese] What are relations like between your government and the Federal Executive Council? How do you assess the economic policy of Markovic's cabinet; on what can you agree with them, and which of its steps are not acceptable to Croatia?

[Manolic] We can only view Markovic's cabinet, the Federal Executive Council, and the reform through the prism of Yugoslavia's entire crisis, both economic and political, and in relation to the functioning of all its institutions. We are striving to resolve the main issue, which is: What kind of future do we want. We have taken the clear stand that this is only possible on a confederal basis. This means that one must first of all ensure the right of every republic to completely exercise its political and economic sovereignty. We can call this new creation Yugoslavia, or an Adriatic, Balkan or Central European confederation. The essential thing is whether the present borders can remain. If this is what suits the world best, the external borders can also remain, but within the country we want to create relations which will provide the full sovereignty of every state. Once we have resolved that, it will be the turn of the issue of development and reform. We have embarked on the process of transforming the entire economic system and there can be no going back. We can only go forward now and in this respect we are not bothered by whether Serbia wants to go more quickly and whether the Macedonians want to go somewhat more slowly. It is important that we have resolved the basic political problem of what kind of community we want to live in so that everyone will go in the direction and at the speed that best suits them. We want the norms of mutual relations to be more or less the same as they are being constructed in Europe among free and sovereign states.

Croatia has found itself in the position where it is presently extending most support to Markovic. We support the elements of this reform program which are also supported by international institutions, regardless of the fact that some of these moves are not in our favor at the moment. However, since most of these measures encourage democratic processes and a market orientation in the other parts of Yugoslavia, we support them. It is in our interest that peaceful, democratic, multiparty elections are held in Bosnia-Hercegovina, Serbia, Macedonia, and Montenegro, that is, by everyone. We will thus acquire democratic government in all communities and we will be able to communicate and resolve problems democratically. [passage omitted]

Election Results for Mostar Released; HDZ Leads

LD2111115390 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 20 Nov 90

[Text] Mostar, 20 Nov (TANJUG)—The municipal Election Commission of Mostar is the first to announce final outcome of the elections for the municipal Assembly.

Its figures show national parties have together polled over 60 percent of votes from about 645,000 voters.

Most, or 30 percent, of votes were polled by the Croat Democratic Community [Hrvatska Demokratska Zajednica—HDZ]. Its representation in the first multiparty Mostar assembly will be in proportion with the number of votes gained.

The Democratic Action Party [Stranka Demokratske Akcije] gained almost 19 percent of votes; the Serbian Democratic Party [Srpska Demokratska Stranka] 15 percent; and the Bosnia-Hercegovina League of Communists-Socialist Democratic Party 15.9 percent, far few than expected or forecast.

Serbia's Milosevic Lauds Progress in Nis Speech

AU2711124290 Belgrade POLITIKA in Serbo-Croatian 22 Nov 90 pp 1, 2

[Unattributed report on Serbian Presidency President Slobodan Milosevic address to a rally in Nis on 21 November: "Serbia Is Going Forward"]

[Text] Addressing the citizens of Nis, Slobodan Milosevic yesterday said:

I greet you convinced that this meeting represents an expression of great support for the policy being conducted by the leadership of our republic and for efforts that are being made to resolve our problems.

The broadest public, in Serbia and Yugoslavia, are greatly concerned about the fate of the country and all its citizens. This concern is justified and refers, above all, to the danger of violence and war. All great projects, projects for economic revival, democracy, and cultural renaissance, all these ideas, big and small, could be endangered if we allow confrontation and bloodshed. Therefore, our greatest joint project, more important than any other project, should be peace. In peace we can make great progress in a just economic and social revival. In war and in clashes, we cannot do nothing but lead the people into a situation in which they will be

hungry and exhausted, as has happened on many occasions throughout history. This is a past experience that must not be repeated.

We are a small nation and have been experiencing an economic and political crisis for almost 10 years. If we did not have enough sense and desire to unite and mobilize to harmoniously achieve the great project of surmounting the economic and political crisis, our path would lead to long lasting instability, regression, and chaos. This is the time for the citizens of our republic to understand this, because, there is actually no real reason to enter a war. It would not bring us anything but victims and destruction. What we need is development and the progress which would follow. Under the present conditions in the world and Yugoslavia they would not be brought about by war but peace.

Serbia is facing elections which will decide whether we will opt for peace and economic and cultural prosperity or clashes and hatred which will block all our previous efforts to surmount the crisis and live better.

The current leadership of Serbia has already been working for two years on the reforms of the economic and political systems aimed at speeding total development and raising the social and personal standards of living.

The pressure of the right, conservative, and often completely dark forces, ideas, and individuals threatens not only to endanger the efforts made so far and the first major results of the reform, great integration and investments, but also threatens to take Serbia back in the past, to throw it into a chaos. These ideas, parties, and individuals are present on the social scene in Serbia every day. They provoke confrontations, incite hatred toward other peoples and nationalities, and offer the past as the way out of our difficulties. These forces separate us from the world and the era in front of us, challenge our reason and disgrace our past.

The forthcoming elections are a big test for all citizens of Serbia. At these elections they will themselves make a choice between going back to the past and the road to the future, between clashes and cooperation among people, between spiritual backwardness and cultural development, between economic fragmentation and economic prosperity. I hope that the citizens of Serbia will opt for the future, for cooperation among peoples and nationalities, for cultural development, and for economic prosperity.

It is indisputable that we have had a past that we can be proud of, but many people today are offering the past to the Serbian people as the only answer to all the questions that are bothering us. Unfortunately, the past cannot resolve any problems of the present.

The agitators for such an attitude toward the past are not under an illusion because of ignorance and nativity, and are not under an illusion at all. On the contrary, they are the representatives of that historic primitivism which, under the cloak of alleged patriotism, aims to destroy everything that is progressive, modern, and democratic in our postwar development and today.

It is not an accident that these dark forces hold the view that everything that Serbs have done in the past since the beginning of their history is good and the only thing that is bad is that they were partisans, that they joined the struggle for freedom and socialism. In their view we should have served Hitler and the occupiers; we should have hated all other Yugoslav peoples who are not Serbs and keep Serbs, who include few rich and many poor people, in backwardness and on the edge of history and the world.

We avoided this fate with our heroic liberation struggle in which the Serbian people suffered many casualties and in which all Yugoslav peoples took part. Later, we avoided this fate through devotion to work and through the creative work of millions of Yugoslavs.

The results of this work and creativity can today be seen in production, science, and culture. For many years, we have enjoyed a good reputation in the world because of our autonomy and independence in international relations. Today, we have something to rely on in building a rich and culturally developed society, without abandoning our commitment for just relations among people.

The opponents of such a commitment are trying not only to take us back to the past in the economic and cultural sense, but are also trying to make us politically dependent on one another, to make us dependent on those who politically and materially support their campaigns in Serbia and Yugoslavia. Today, we can even see that some of the opponents who are not able to find candidates for the elections, or collect citizens signatures for such candidates, and who are afraid of the outcome of the elections, are hiding their impotence behind threats to boycott the elections because of the alleged doubts about fair voting, although they should know that after all it has done, this state would not allow anybody to endanger its reputation. The elections as determined by the new constitution of Serbia are a democratic achievement, and therefore I believe that no honest citizen of Serbia or patriot would use the elections to disgrace Serbia. Therefore, the citizens of Serbia are obliged to say and decide, both for their own sake and the sake of those generations that will live on this land after us, that they neither want to return to the past, nor do they want to be anybody's servants.

We must make up our minds, join together, agree, and unite, for work, education, and creativity, instead of weeping over the past.

The past should be left to history and we should take the present into our own hands in a determined, realistic, and resolute way and call a halt to everything that happened in the past, because today a new day can only begin in this way. And this day must be peaceful and bright, so that everybody would have a reason to look forward to work and life.

At the same time, we must also confron' the danger that threatens our independence. We are facing a deliberate policy of the economic destruction of our economy—above all the economy of Serbia—with the simple aim of causing great economic difficulties and shortages followed by social disorder in which a noose would be put around Serbia's neck with the help of old and new Serbian vassals. The accounts in the game of altering the political map of Europe would again be settled via Serbian lives.

These dark aims have already largely been prevented through the unification of Serbia and the adoption of a new constitution. These plans can finally and forever be prevented only through the mobilization of the citizens of Serbia to preserve peace and unity and through the creation of conditions for economic and social renaissance which we all need equally. We want to belong to a modern world by fully exploiting all of its achievements in all spheres of work, science, and creativity. However, we must not allow ourselves to become dependent on anybody in Europe or the world under the pretext of the so-called integration within Europe. We must not treat ourselves as complete outsiders in everything. We must not become anybody's flatterer. Neither the Serbian people nor the citizens of Serbia have ever been that or could have ever been that and will therefore never be that.

Serbia can cooperate with anybody in the world in the spheres of economy, politics, and culture on an equal footing and with mutual respect. What is valid for our relations in Yugoslavia is a hundred times more valid for our relations in the world. Serbia can go forward, toward peace, freedom, and better days. It could also go backward, toward war, dependence, and backwardness. I am sure that people will not think much which way they want to go. I am convinced they that will make a proper decision quickly and without any difficulties. Serbia itself holds both its present and its future. Both future and presence should be characterized by peace, harmony, and work. I am convinced that the citizens of Serbia bear this in mind. With this conviction I wish you successful work and peaceful life!—this was stated by Slobodan Milosevic who was greeted with the applause of some two hundred thousand citizens.

Candidate Seselj Threatens To Try 'Traitors'

LD2811225790 Belgrade TANJUG in English 2137 GMT 28 Nov 90

[Text] Belgrade, 28 Nov (TANJUG)—Presidential candidate at the forthcoming elections in the largest Yugoslav republic of Serbia Dr. Vojislav Seselj on Wednesday [28 November] evening threatened that, if he came to power, he would put on trial twenty "biggest Serbian traitors."

In a public appearance, among those Seselj named were former Yugoslav Foreign Ministers Milos Minic and Oca Popovic, and also late President Tito's close adviser and later one of the best known dissidents Milovan Djilas, and prime minister and president of the republic in the early 1980's Veselin Djuranovic.

Although a monarchist, Seselj [word indistinct] his candidacy for Serbian republican Presidency to present the party he heads—the Serbian Chetnik Movement—the registration of which has been turned down by the authorities on moral grounds.

The authorities refused to register the party, which Seselj claims numbers 10,000 because it preached the ideology of the Chetnik Movement, which during World War Two fought on the side of the fascists in Yugoslavia.

Nearly 30 candidates will run for republican president in the first postwar multi-party elections in Serbia set for December.

Socialist Party Denies Particaption in 'Yu-Bloc'

LD2311142290 Belgrade TANJUG Domestic Service in Serbo-Croatian 1108 GMT 23 Nov 90

[Text] Belgrade, 23 Nov (TANJUG)—The Socialist Party of Yugoslavia [Socijalisticka Stranka Jugoslavije] today denied that it has joined the so-called Yu-Bloc parties to contest the elections in Serbia, and that, as alleged, it accepts the joint candidacy of Dr. Blaze Perovic from this bloc for president of Serbia.

The name of this party was mentioned as a member of the Yu-Bloc at a news conference in the International Press Center yesterday on the occasion of the promotion of candidates for president and deputies from this coalition.

The Socialist Party of Yugoslavia, which is a member of the Socialist Internationale, stresses in today's statement that it has decided not to take part in the elections in Serbia because of the undemocratic electoral law.

Serb Deposit To Be Paid on Slovene, Croat Goods

AU2811124990 Belgrade BORBA in Serbo-Croatian 14 Nov 90 p 5

[M. Torov report: "Big Questions About a Small Provision"]

[Excerpts] Even though it is exceptionally short and concise, the "secret" provision of the Executive Council of Serbia on "the compulsory payment of deposits for the purchase of certain goods" has raised numerous questions. For example, what is a deposit exactly? How is it worked out? Is it part of the price of the product? Does it include turnover taxes or are these paid separately? Finally, the question is raised of what the point is since the money is returned to the payer after six months.

The Social Accounting Service of Serbia has responded by saying that the provision in question should be read as written—enterprises based in Serbia which buy Slovene and Croatian goods are simply obliged to pay a deposit of 50 percent of the value of goods which will be used for further transactions.

They say that calculations are simple and there is no skill involved: If a product costs the buyer 100 dinars then an extra 50- percent deposit is paid on it to Serbia so that

everything finally costs a total of 150 dinars. The republican financial experts will not go into whether anyone will include this deposit in the price of the final product and whether in this product-trade chain, anyone will pay another tax, perhaps a tax on earnings.

The Social Accounting Service of Serbia assures us that the only purpose of the deposit is "to protect Serbia's industry and to help it get moving." Therefore, the deposit is also some kind of loan because the money will be returned after six months with interest. [passage omitted]

[The following passage appears boxed within the body of the item]

Without a Deposit

The secret provision on the compulsory payment of a deposit does not apply to the following domestically produced goods: oil derivatives, motor and machine oil and technical grease, steel for reinforced concrete, hardware, sewing machines, passenger and other vehicles, motorcycles and spare parts, freezers, refrigerators, medicines and disposable medical equipment, roofing material, canned fish, school and office equipment, children's food, and baby accessories....

Regulations for Montenegrin Elections Outlined

AU2311160590 Belgrade POLITIKA in Serbo-Croatian 12 Nov 90 p 8

[Dragomir Becirovic report: "With a President and Presidency"]

[Text] Titograd, 11 Nov—Even though there is almost a month left until the elections in Montenegro, which have been scheduled for 9 December, the avalanche of multiparty elections is to a great extent rolling through this smallest republic. Even though parties are vociferously attacking each other, which almost even go as far as physical clashes, many voters are still insufficiently informed about how to vote and which bodies they will be voting for, even though laws have been adopted. A people dazzled by the race for the party leaders are the least worried about the details which will be very important on 9 December.

In Montenegro, they have decided that one person cannot rule the state by himself for four years. They have come to a kind of compromise between the present and past systems. They have decided that both the president and the members of the Presidency of the Socialist Republic of Montenegro should be elected. Although the communist delegates in the present Assembly were in favor of only the president of the republic being elected, the opposition to the communists— probably because the change was proposed by the communists themselves—chose the model which the communists had rejected, which was for the Presidency to be elected, as well as the president.

Twenty Constituencies

Any adult citizen of Yugoslavia can become president of Montenegro on condition that their place of residence in the last three months has been in Montenegro. Apart from the President, Montenegro will also elect four members of the Presidency. Candidates for the president and Presidency are nominated by citizens, parties, organizations, associations.... A candidate for president is considered to be a citizen who has the support of 2,000 voters and a candidate for member of the Presidency needs the support of 1,000 voters. The ballot will be carried out by circling the number in front of the name of every individual on the voting slip. The president of the republic will be the one who has the most votes, on condition that more than a half of the registered voters have voted for him, while a member of the Presidency must have received the votes of more than a third of the registered voters. If no candidate for the president of the Presidency of the republic wins the right number of votes, the elections are to be repeated after 14 days and the voting will be between the two candidates who won the most votes. If the president is not elected even then, the whole election procedure is repeated. A repetition of the procedure is also envisaged for members of the Presidency, if they do not win the necessary number of votes.

One hundred and twenty five deputies will be elected to the Assembly of the Socialist Republic of Montenegro in the multiparty elections. The Assembly has a single chamber. A constituency for deputies is made up of the territory of a commune. Thus, there will be 20 constituencies for deputies in Montenegro. When it comes to deputies, the citizens of Montenegro will not vote for individuals but for party lists and "independent" candidates if there are any. If less than a half of the registered electorate vote at the elections for representatives and deputies, elections will be repeated in these constituencies.

The number of representative and deputies seats will depend on the ratio of the number of votes won in a constituency. A list that does not receive four percent of the votes in a constituency will not be considered when it comes to giving out terms of office.

A Government Instead of the Executive Council

A proposed law on the future government has also been prepared in Montenegro. It will actually be called this, and instead of the present secretariats of the Executive Council there will be ministries. Eleven ministries have been envisaged. The government will consist of a prime minister, deputy prime minister, ministers from the heads of ministries, and ministers without portfolio. The head of the Montenegrin government will be chosen by the Assembly and he will be proposed by the Presidency of the republic "on the basis of consultations and the party representation of the deputies in the Assembly." It is envisaged that "it will be thought that a candidate for prime minister will enjoy the trust of the majority of deputies in the Assembly if they belong to or have the support of the political organization or coalition which has the largest number of deputies in the Assembly."

A candidate for prime minister will submit a program and candidates for cabinet members to the Assembly. If the majority of deputies endorse the program and candidates, the government is chosen, if not, the Presidency of the republic must propose a new candidate to the Assembly within two weeks and he must put forward a program and cabinet.

Montenegran Parties Form 'Democratic Coalition'

LD2611132790 Belgrade TANJUG Domestic Service in Serbo-Croatian 0703 GMT 26 Nov 90

[Excerpts] Titograd, 26 Nov (TANJUG)—The Party of Democratic Action [Stranka Demokratske Akcije—SDA] of Montenegro, the Party of Equality [Stranka Ravnopravnosti], and the Democratic Alliance of Montenegro will contest the forthcoming elections under the name of Democratic Coalition. The parties will submit joint lists for deputies and delegates in all municipalities, while Sefer Medvedovic is put forward as its presidential candidate. All three parties, with their combined membership in the region of 11,500, are regarded as being nationally oriented. [passage omitted]

Bosnian Parties Begin Leadership Consultations

LD2811155690 Belgrade TANJUG in English 1515 GMT 28 Nov 90

[Text] Sarajevo, 28 Nov (TANJUG)—The national parties in the Yugoslav republic of Bosnia-Hercegovina, which have carried off a convincing majority of votes in the first round of the multi-party elections in the republic on November 18, have opened consultations on the distribution of the key posts in the republic.

The national parties have no serious objections about the work of Bosnia-Hercegovina's representative in the Yugoslav state Presidency Bogic Bogicevic, as leader of the Muslim Democratic Action Party Alija Izetbegovic told newsmen in the republican capital of Sarajevo today.

The Democratic Action Party is one of the strongest in the republic. It rallies muslims who make up nearly 40 percent of Bosnia-Hercegovina's population. The Serbian Democratic Party rallies Serbs, who account for 32 percent on the republic's population and the Croatian Democratic Union Croats (17 percent).

Izetbegovic said that a great deal of "patient work and understanding" would be necessary to decide on who is to take over the posts of republican Presidency president, republican parliament president and republican prime minister. He said that the new authorities "will not replace good firm directors," but that necessary personnel changes would be made in state bodies.

The second round of the elections in Bosnia-Hercegovina will be held on December 2. The second-round results will not, however, essentially influence the final outcome of the elections, in which the national parties have already secured a convincing lead.

Federal Prime Minister Ante Markovic's Alliance of Reformist Forces also held a news conference in Sarajevo today. The reformists, toether with the communists, will constitute the leading opposition in the new republican parliament. The reformists today urged all parties to form committees for defense against possible revanchism after the change of power.

Slovenia, Serbia, Vojvodina Withhold Tax Payments

AU2711162690 Sarajevo OSLOBODJENJE in Serbo-Croatian 12 Nov 90 p 1

[Unattributed report: "Evasion of Federal Tax"]

[Text] Around 2.5 billion dinars, or a sum that is close to the sum that is being used to finance welfare programs this year, have not been paid into the federal budget by Slovenia, Serbia, and Vojvodina.

According to the findings of the Social Accounting Service of Yugoslavia, in the period 1 September to 31 October alone, Slovenia earned more than 164 million [currency not specified] in federal turnover tax and Serbia around 830 million in tax and almost 1.4 billion in customs and other border duties intended for the recipients of federal funds. During the aforementioned two months, Vojvodina paid all federal taxes into an account entitled: "Withheld Funds After a Conclusion of the Vojvodina Assembly," from where, of course, not one dinar reached the legally determined recepient.

Avoidance of Regulations

As reported by the Information Secretariat of the Federal Executive Council, in carrying out its regular check of all organizational units and their actions in applying the Law on the Federal Budget and the Law on Turnover Tax, the Social Accounting Service established lawful conduct in five republican or provincial branches, as well as particular irregular handling of federal monies by Serbia, Slovenia, and Vojvodina.

The check by the Social Accounting Service of Yugoslavia established that according to decisions by the Executive Council of Slovenia and on the orders of the republican Secretariat for Finance, a greater proportion of the money raised by the payment of basic and federal turnover tax in Slovenia is kept in Ljubljana than is envisaged by the law. Instead of the republic retaining a quarter of the raised funds and paying the rest to the federation, the Social Accounting Service of Slovenia first of all deprived the federal coffers of a half and then as much as 80 percent of all tax revenue envisaged as the earnings of the federal budget. After 25 October, services in Slovenia stopped all payments of federal revenues, thus behaving totally illegally and in an unauthorized way as regards federal regulations.

The total sum which was not paid into the budget in the two months under investigation by Slovenia, that is, that was kept to be used in the republic, amounts to more than 164 million dinars.

As regards the situation in Serbia, the findings of the Social Accounting Service of Yugoslavia show that the organizational units of the Social Accounting Service in this republic paid part of the basic turnover tax, which otherwise belongs to federal earnings, into a special account for the whole period from 1 September to 31 October this year. Thus, the federal budget was deprived of more than 830 million dinars. At the same time, the Social Accounting Service of Belgrade also kept 64 percent of revenue from import and customs duties —which also should have belonged to the federation according to regulations—in the same special fund.

An Illegal "Stop"

The inspectors of the Social Accounting Service of Yugoslavia established that on the 31 October this account contained more than [illegible].3 billion [currency not specified] in customs duties even though this money did not represent earnings from payments only on the territory of Serbia but earnings raised from customs duties in other republics and provinces. Otherwise, since customs earnings are shared out between the federal budget and the Yugoslav People's Army according to the ratio of 64 to 36, certain branches of the Social Accounting Service of Serbia even voluntarily increased the part that went directly to the Army.

The investigation into the Social Accounting Service of Novi Sad showed that since 29 September, the Vojvodina service has not paid any earnings whatsoever into the federal budget from basic turnover tax but kept the whole amount of money in a newly-opened account called "withheld funds."

Examples of this concern "Agrohem" in Novi Sad, "Azotara" in Pancevo, "Zorka" and "Azotara" in Subotica, "Agroseme-Panonija," and other enterprises.

Basic Federal Duties Said Threatened

LD2811212790 Belgrade TANJUG in English 1638 GMT 28 Nov 90

[Text] Belgrade, 28 Nov (TANJUG)—The Yugoslav federal government today underscored that Yugoslav republics were increasingly cutting down their payments into the federal budget and that, should they continue to do so, the federation would not be able to perform its basic duties.

The federal government said it would request a parliamentary debate on the decision of some republics willfully to reduce their payments into the federal budget, thereby violating federal regulations.

The Republics of Slovenia, Croatia and Serbia are not meeting their financial obligations towards the federation.

The federal government today once again warned against the pay hikes not based on higher production and profits. It specified that there was an increase, instead of a drop, in the money in circulation, which it said effected a rise in inflation.

Federal Treasury Short of Funds

LD2711235490 Belgrade TANJUG Domestic Service in Serbo-Croatian 1627 GMT 27 Nov 90

[Text] Belgrade, 27 Nov (TANJUG)—Only one-third of the envisaged funds is reaching the federal treasury daily. The question arises of how to secure until the end of this year at least 20 billion dinars which the federation needs in order to be able to meet its liabilities. This was stated at today's session of the Federal Chamber's committee for the federal budget, which discussed a report on the budget expenses in the first nine months of the year. As a result of the extremely serious situation, the committee concluded by demanding an emergency and urgent session of the Federal Chamber and a discussion on the problem.

The committee started a discussion today on the draft budget for next year. The general assessment was that the budget is unnecessarily overambitious and that it is not planned to collect revenue from proper sources.

FEC Statement Issued on Reform's Progress

LD2811163890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 28 Nov 90

[Text] Belgrade, 28 Nov (TANJUG)—During its session today, chaired by Ante Markovic, the Federal Executive Council [FEC] considered some issues concerning the implementation of the reform. It was noted, a statement issued by the FEC Secretariat for Information says, that some adverse trends were also present. These trends have surfaced especially in the field of the credit and monetary policy. What happened is that the volume of the money in circulation has gone up instead of down. This applies also to a substantial increase in the monies paid out as personal income unrelated to an increase in material production and productivity. All this, it was stressed, entails increases in pensions and general and joint expenditure.

It was also pointed out that the size of the funds payable into the federal budget is smaller and smaller. If the situation does not change during the ensuing period the federation will not be able to meet its commitments, even its basic commitments. The FEC will soon ask for a debate on this in the Yugoslav Assembly, and the federal organs have been asked to take appropriate measures to prevent further violation of federal laws and regulations.

The FEC has established the platform for talks with an IMF mission due to start in Belgrade on 3 December. Zarko Trbojevic, vice governor of the Yugoslav National Bank, will lead our delegation.

Economic Losses Reported During Last 9 Months

LD2711214190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1308 GMT 27 Nov 90

[Text] Belgrade, 27 Nov (TANJUG)—The Yugoslav economy incurred losses of 54.996 billion dinars in the

January-September period of this year, a Yugoslav social accountancy service report on the nine-month period stresses.

Losses were recorded in 9,257 enterprises employing about 2 million people. Every fourth enterprise incurred losses, and every second worker produced them.

In the same period, 11.7 billion dinars were accumulated. Accumulation per worker was 2,000 dinars, and losses per head were 11,000 dinars.

Croatian, Slovene Leaders Receive RSA's Botha

AU2811153790 Zagreb VJESNIK in Serbo-Croatian 19 Nov 90 p 1

["M.P."-signed report: "Tudjman-Botha"]

[Text] Zagreb—Dr. Franjo Tudjman, president of the Republic of Croatia, received Roelof Pik Botha, minister for foreign affairs of the Republic of South Africa, on Sunday, who was on a private visit to Yugoslavia. President Tudjman also hosted lunch for the guest from the South African Republic. In their talks, there was discussion on the expansion of economic cooperation and the establishment of representative offices of the Republic of South Africa and the Republic of Croatia.

Roelof Pik Botha arrived in Zagreb from Bled, where he had talks with Lojze Peterle, head of Slovenia's government, and Dr. Dimitrij Rupel, republican minister for foreign affairs, on cooperation between Slovenia and the Republic of South Africa. Views were exchanged about the democratic processes in Eastern European countries and the hosts briefed the guest on the political and socioeconomic changes in Slovenia and Slovenia's efforts to join European integrational processes as thoroughly as possible.